



U.S. AGENCY FOR
GLOBAL MEDIA

UNITED STATES
BROADCASTING
BOARD OF
GOVERNORS



FY 2019 Performance and Accountability Report



Message from the U.S. Agency for Global Media CEO and Governing Board Chairman

On behalf of the U.S. Agency for Global Media (USAGM), we are pleased to present the Performance and Accountability Report (PAR) for Fiscal Year (FY) 2019. This report presents the results of this year's audit of the agency's financial statements, measures our performance against our FY 2019 objectives, highlights the accomplishments of the past year, and identifies what challenges lie ahead.

The mission of USAGM is to inform, engage, and connect people around the world in support of freedom and democracy. USAGM accomplishes this mission through two federal entities: the Voice of America (VOA) and the Office of Cuba Broadcasting (OCB); and four USAGM-funded grantees: Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), the Middle East Broadcasting Networks (MBN), and the Open Technology Fund (OTF), which was established as an independent grantee at the end of FY 2019.

In FY 2019, the news and information programming of USAGM's five networks reached a worldwide measured audience of 350 million people in 61 languages each week, an increase of five million from last year's record audience. This audience growth occurred in several strategic markets – including Afghanistan, Pakistan, and Mexico. USAGM continued to reach large audiences in countries of key U.S. national security and foreign affairs interest, including Russia, China, and Iran.

USAGM upholds freedom of expression and information as universal human rights, and it does so by exemplifying and supporting free media that foster and sustain free and democratic societies. USAGM's five networks pursue this mission by providing global audiences with engaging content on television, radio, internet, social and mobile platforms. In addition, they work closely with media partners around the world to bring their compelling content into local markets, establishing valuable connections to critical institutions that, in turn, support civil society and democratic principles.

With access to media expanding around the world, information is more powerful than ever. However, the existence of more media does not yield more press freedom. Well-funded state and non-state media outlets inundate audiences with

disinformation about current affairs to the severe detriment of U.S. national security. According to Reporters Without Borders, media freedom remains highly threatened, with significant deteriorations over the past five years, and these declines continued in 2019.

Nevertheless, USAGM's highly professional and award-winning journalists expose disinformation and extremist propaganda all around the world by telling the truth and reaching people who need that truth the most. In FY 2019, USAGM launched VOA 365, a 24/7 Persian-language global network, providing news and information directly to the Iranian audiences and Persian-speaking diaspora around the world. Led by VOA's Persian Service in collaboration with RFE/RL's Radio Farda, VOA 365 provides unfiltered coverage of global news and events through its expanded pool of studios and correspondents in Washington, New York, Los Angeles, London, Iraq, Prague, and other European cities.

The new VOA 365 network is modeled after USAGM's highly successful 24/7 Russian-language digital network, Current Time, which in FY 2019 continued to provide Russian-speakers around the world with balanced information and rigorous fact-checking. USAGM is currently working on launching a third global language network in Mandarin, a digital collaboration between VOA and RFA.

With programming in several dozen languages, thousands of media partners, and on-the-ground reporting capabilities around the world, USAGM networks are also well poised to react quickly in crisis situations. In FY 2019, USAGM added four new language services in response to humanitarian crises and growing challenges to press freedom. VOA launched Lingala for the Democratic Republic of Congo and a Rohingya service with daily radio programming for refugees along the Burma-Bangladesh border. RFE/RL restarted programming in Bulgarian and in Romanian to Romania, two markets that have experienced democratic backsliding in recent years, and is currently reestablishing a service for Hungary for the same reason.

In FY 2019, USAGM continued to reach audiences at risk of and affected by violent extremism with extensive coverage of Boko Haram in Nigeria; the Taliban in South Asia; and ISIS in the Middle East, Balkans, Central Asia, and elsewhere. USAGM provided platforms for audiences to speak out and address extremism and the underlying causes of terrorism with interactive programming, including

MBN's *Raise Your Voice* in Iraq and *Maghreb Voices* in North Africa and RFE/RL's *Not in Our Name* in Central Asia and the Balkans.

In order to have impact with audiences, USAGM must provide quality programming and earn the trust of audiences. We monitor that progress through our impact model, which tracks engagement, connection, and influence with audiences, media institutions, and governments through a range of quantitative, qualitative, digital, and holistic indicators. As demonstrated by the high levels of impact on a range of measures, USAGM is reaching larger audiences than ever.

In the new fiscal year, USAGM remains focused on several key initiatives to increase its impact in a challenging environment, to include:

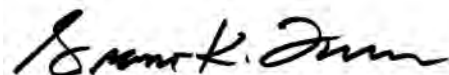
- Maximizing program delivery agility;
- Enhancing strategic coordination between networks;
- Prioritizing key audiences and engaging content;
- Improving accountability and impact measurement; and
- Targeting public-private partnerships on innovation, content creation, and media reach.

The financial and performance data presented in this report are fundamentally complete and reliable. We are pleased that the independent auditors have again given our financial statements an unmodified opinion. We recognize there are a number of significant items identified by the external audit that will require our continued attention and diligent improvement. To that end, we are committed to directly addressing these challenges and reinforcing progress.

USAGM is proud to share the achievements of the U.S. Agency for Global Media during FY 2019 in the following report. The agency strives to effectively and efficiently steward the resources entrusted to us to further our global mission and impact audiences like no other media organization in the world.



Kenneth Weinstein
Broadcasting Board of Governors
Chairman



Grant Turner
Chief Executive Officer and Director

November 19, 2019

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Introduction

PURPOSE OF THE PERFORMANCE AND ACCOUNTABILITY REPORT

This FY 2019 Performance and Accountability Report (PAR) provides performance and financial information for the U.S. Agency for Global Media (USAGM). This integrated presentation of the Agency's program performance, financial accountability, and managerial effectiveness is intended to assist Congress, the President, and the public in assessing USAGM's performance relative to its mission and stewardship of the resources entrusted to it.

This report satisfies the reporting requirements of the following legislation:

- Federal Managers' Financial Integrity Act of 1982 (FMFIA)
- Government Performance and Results Act of 1993 (GPRA)
- Government Management Reform Act of 1994 (GMRA)
- Reports Consolidation Act of 2000
- Accountability of Tax Dollars Act of 2002
- Improper Payments Information Act of 2002
- Improper Payments Elimination and Recovery Act of 2010
- Improper Payments Elimination and Recovery Improvement Act of 2012
- Government Performance and Results Modernization Act of 2010 (GPRMA)
- Grants Oversight and New Efficiency Act of 2016 (GONE)

STRUCTURE OF THE PERFORMANCE AND ACCOUNTABILITY REPORT

The report includes the following sections:

Management's Discussion and Analysis (MD&A)

The MD&A is an overview of USAGM, its organizational structure, and mission. It includes a summary of the Agency's program highlights and accomplishments for FY 2019 and USAGM's management and performance challenges. The MD&A also includes the results of the Agency's FY 2019 FMFIA internal control review and a section on management assurances.

Performance Information

The performance section presents annual program performance information as required by GPRA and GPRMA and describes the Agency's progress in meeting its operational strategic goals. The outcome of the FY 2019 goals and objectives is presented, as well as a summary explanation of the verification and validation of performance measures used in the report.

Financial Information

The financial section contains USAGM's financial statements for the federal entities and the related Independent Auditor's Report. In this section, USAGM has prepared and presented all four statements as required by the Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements.

Other Information

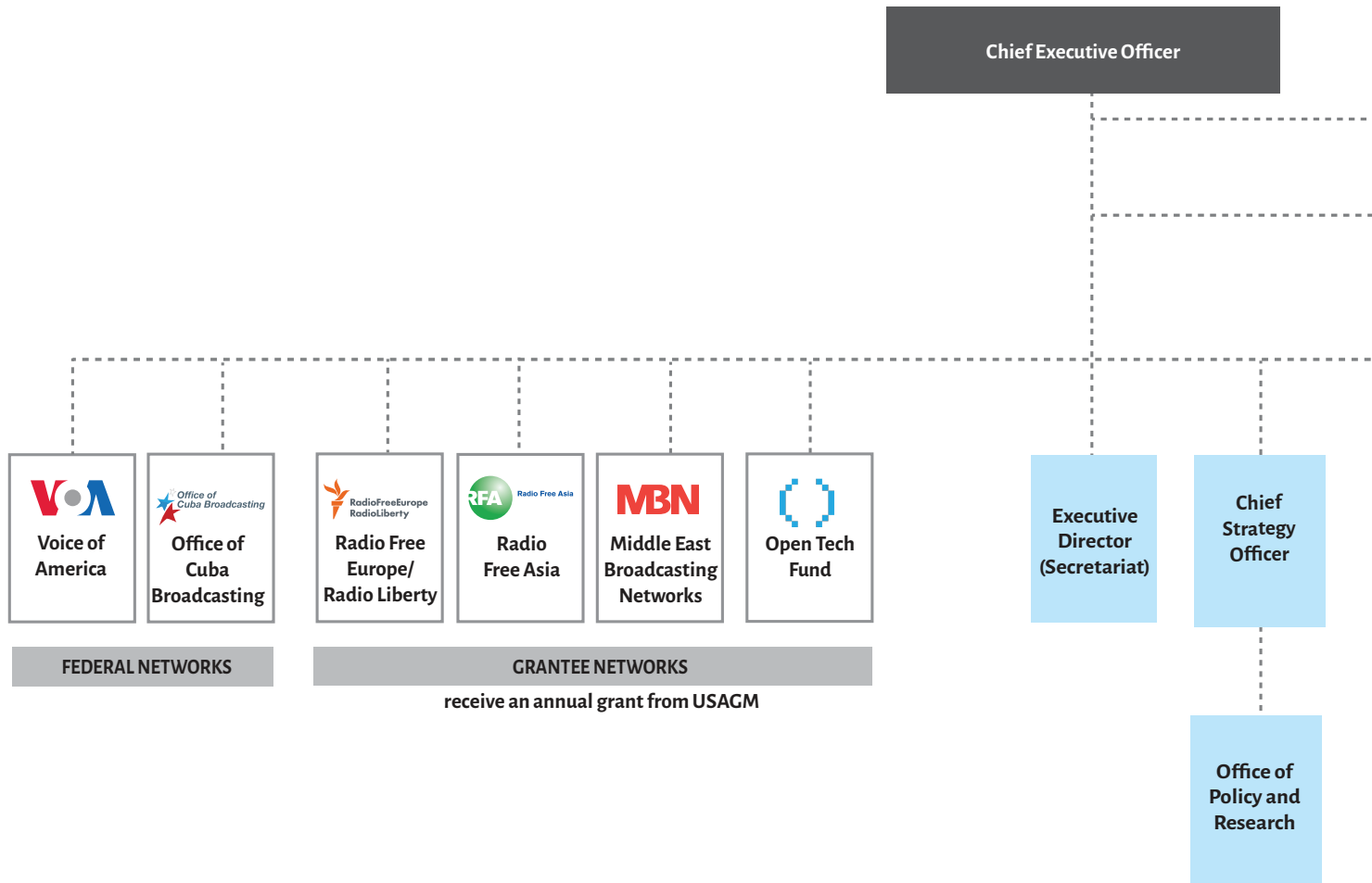
This section contains the Inspector General's statement on management and performance challenges along with USAGM's response. It also contains a summary of the financial statement audit, management assurances, payment integrity, and grants oversight and new efficiency information.

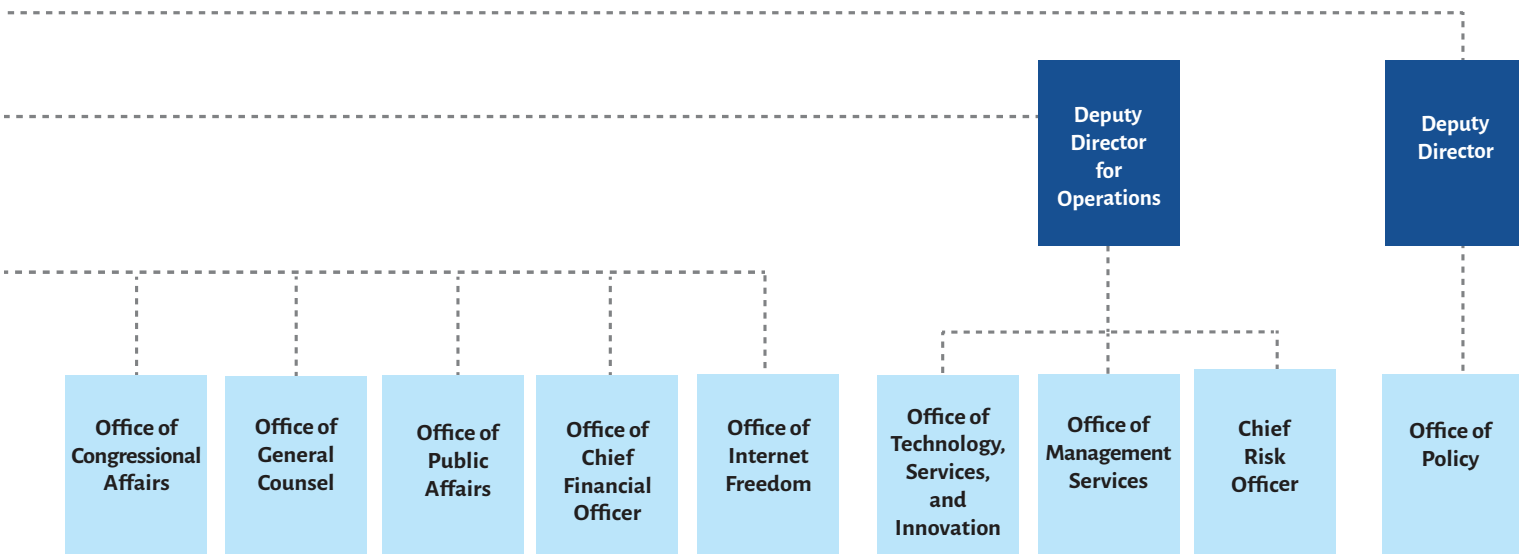
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Management's Discussion and Analysis

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USAGM ORGANIZATIONAL STRUCTURE





USAGM MISSION

**To inform, engage, and connect people around the world
in support of freedom and democracy.**

The U.S. Agency for Global Media (USAGM) informs, engages, and connects people around the world in support of freedom and democracy through its international media programs. Around the world, 350 million people consume USAGM programming each week via radio, television, and the internet. All USAGM broadcast services adhere to the standards and principles of the International Broadcasting Act of 1994, as amended, and support the USAGM mission.

USAGM Organization

USAGM, originally the Broadcasting Board of Governors, became an independent federal entity on October 1, 1999, as a result of the 1998 Foreign Affairs Reform and Restructuring Act (Public Law 105-277). USAGM was created to administer civilian international media funded by the U.S. Government in accordance with the U.S. International Broadcasting Act of 1994, as amended. The Fiscal Year 2017 National Defense Authorization Act made several significant reforms to the agency's management structure. Some of these took immediate effect, others will come into force at a future date. Primarily, the act authorized the position of Presidentially-nominated, Senate-confirmed Chief Executive Officer (CEO). Currently, the agency's governing board remains in place. The legislation removes this bipartisan governing board once a Presidentially-nominated, Senate-confirmed CEO is appointed by the President. Under the new statutory structure, the CEO will serve as agency head, assuming all leadership, management, and operational authorities, including taking solely upon his or her shoulders the key duty of acting as the firewall against political interference in the networks' journalism, ensuring the independence and integrity of USAGM broadcasters; that function is currently accomplished by a bipartisan board to insulate the agency from political pressure. Instead of a governing board, there will be a new Presidentially-appointed (but not Senate-confirmed) five-member, Advisory Board — whose membership, which includes the Secretary of State, is expected to be comprised of persons that the President names from lists put forward by the ranking and majority members of the agency's Senate and House oversight committees. Such an Advisory Board is by definition "advisory"; as such, the first Senate-confirmed CEO would determine the extent to which he or she wishes to utilize this group, which is required to meet twice annually with the CEO and periodically report to Congress.

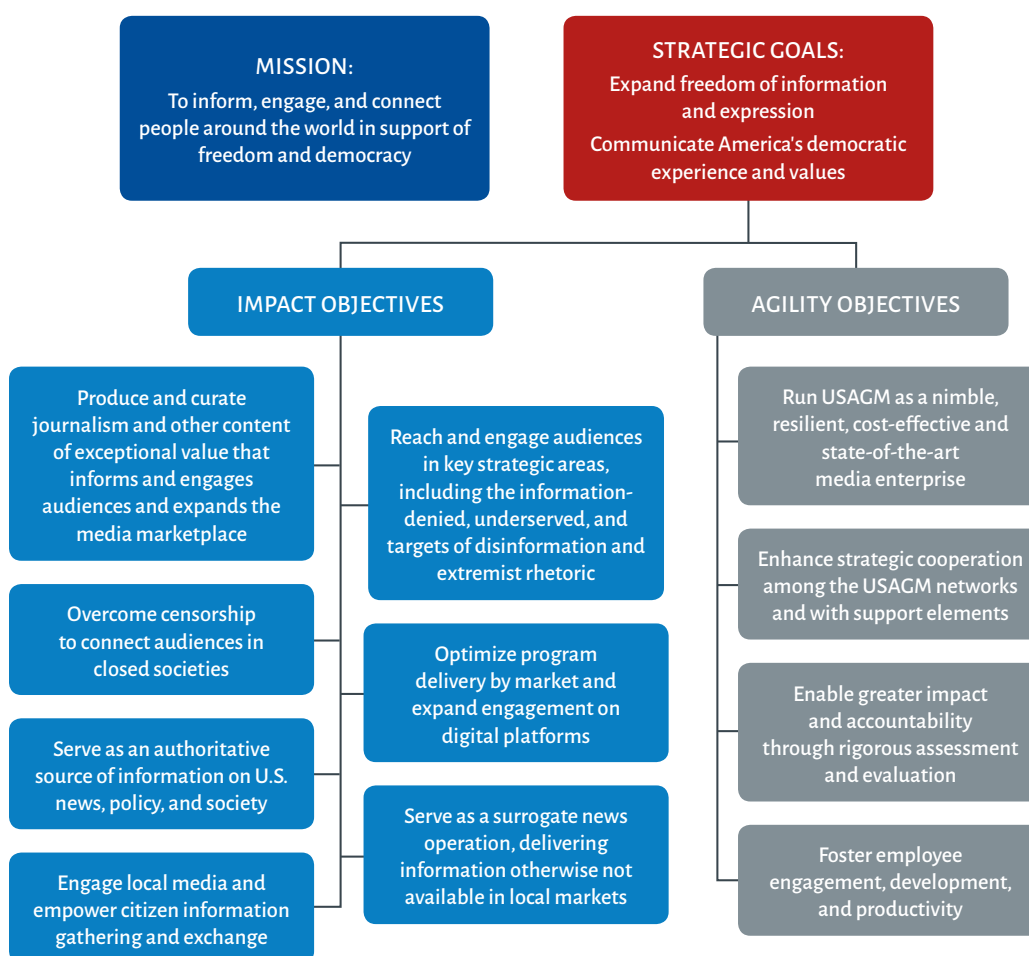
USAGM is comprised of two federal entities: the Voice of America (VOA) and the Office of Cuba Broadcasting (OCB); and four grantees overseen and funded by USAGM: Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), the Middle East Broadcasting Networks (MBN), and the Open Technology Fund (OTF). The latter, previously housed at RFA, was separately incorporated as an independent grantee in FY 2019; it will focus on projects supported by USAGM's internet freedom budget.

FY 2019 Goals and Objectives

In the Strategic Plan covering FY 2018-2022, USAGM has set two strategic goals:

- **Expand freedom of information and expression**
- **Communicate America's democratic experience and values**

In support of these goals, the Strategic Plan sets out seven Impact Objectives and four Agility Objectives:

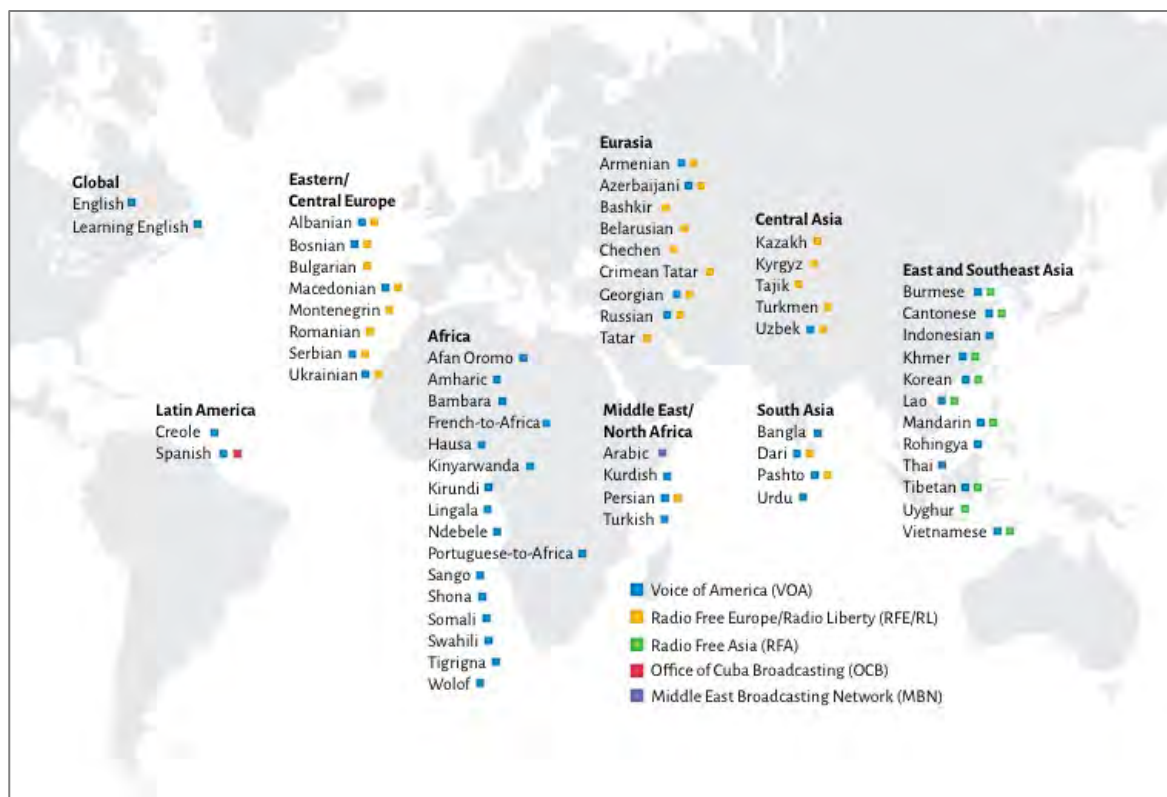


The Agency set performance goals supporting each of the Impact and Agility Objectives. Highlights of USAGM's performance in FY 2019 are presented on the following pages. Full performance results are presented in Section Two.

Performance Highlights

Over the past year, USAGM has effectively distributed breaking news, in-depth reporting and reasoned analysis on traditional and new media platforms, illustrating that international media is the most effective U.S. tool to provide accurate news and information and relevant discussions to those who do not receive this from their own media.

Around the world, 350 million people consume USAGM programming each week in 61 languages.



Key accomplishments in FY 2019 include:

- At the beginning of FY 2019, MBN relaunched Alhurra television, redefining it as a distinctly American channel with an American voice supporting human dignity and universal rights and values. A new programming grid was launched with new graphics from new studios and with a new production hub in Dubai to revitalize and redefine the channel in a hyper-competitive and saturated Arabic media market. Nearly one-third of the programming day for the Pan-Arab Alhurra channel is now generated from the region in sync with the region's news cycle.
- In March 2019, USAGM launched VOA 365, a new 24/7 Persian-language channel led by VOA, in collaboration with RFE/RL. The new channel aims to inform and engage Iranian audiences and the Persian-speaking diaspora around the world. VOA 365 added specialty web and TV programming focusing on the issues of corruption and inequality in the Iranian regime that have sparked continuing widespread protests. VOA 365 has broadened its slate of content offerings to present programs unavailable in Iran, combining original content with commissioned and acquired offerings.
- RFA's Uyghur Service continued breaking the shocking stories of Uyghurs being detained in internment camps in the Xinjiang Uyghur Autonomous Region (XUAR). It is now estimated that more than one million Uyghurs are in the camps all over XUAR, including the family members of six RFA Uyghur Service reporters. Despite tremendous pressure, RFA's Uyghur service is still on the front line delivering exclusive news from inside Xinjiang and its reports are cited regularly by major media and policymakers.
- USAGM launched four new language services. VOA launched Lingala for the Democratic Republic of Congo and a Rohingya service with daily radio programs for refugees along the Burma-Bangladesh border. RFE/RL restarted programming in Bulgarian and in Romanian to Romania, two markets that have experienced democratic backsliding in recent years, and is currently reestablishing a service for Hungary.
- In FY 2019, OCB's radio, TV, and digital services produced several in-house investigative and historical series, adopted the style of telling the American story and touched on issues never addressed before that resonate with the

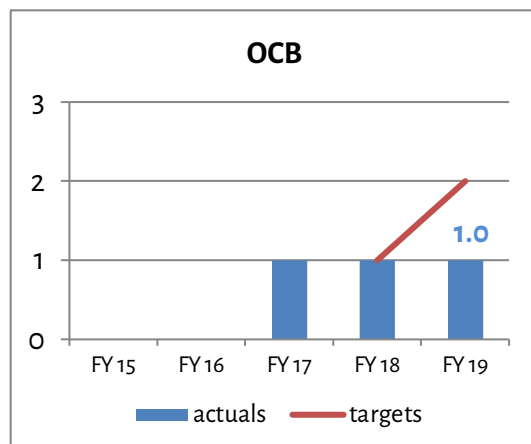
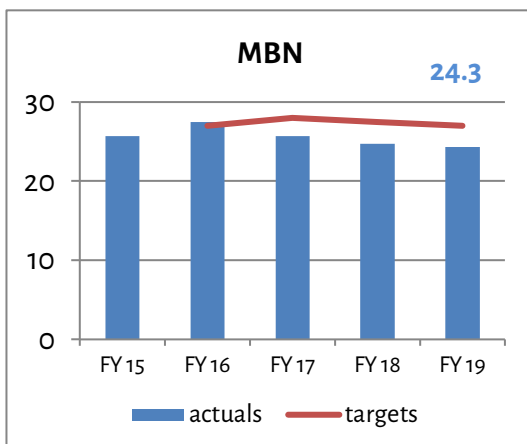
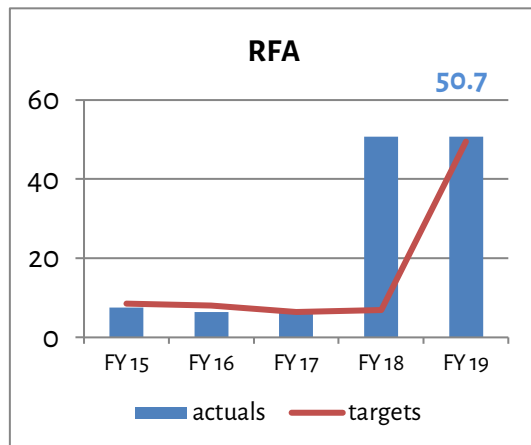
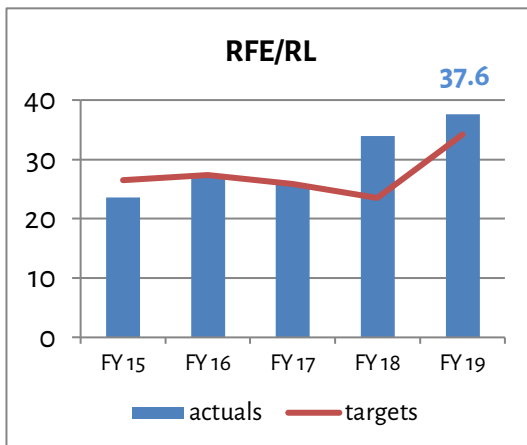
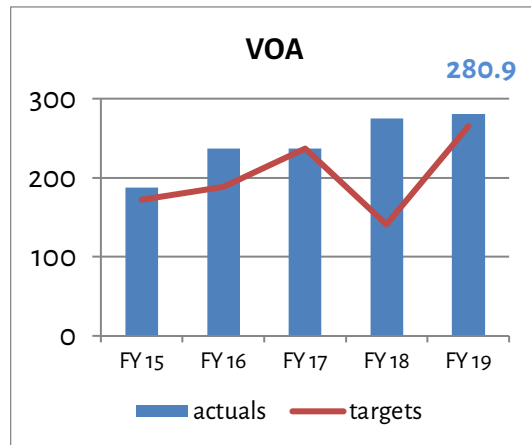
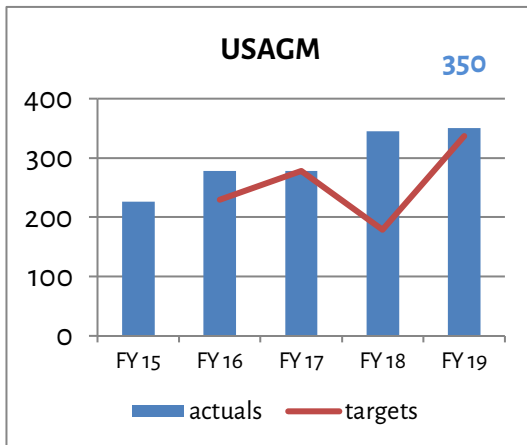
people of Cuba. Topics included climate change and the history of the Catholic Church in Miami, including the key role that the Church played in the resettlement of Cuban children in the 1960s.

USAGM WEEKLY AUDIENCE CHARTS

A key measure of USAGM’s success is its weekly audience. These charts present weekly audience for USAGM networks from FY 2015 to FY 2019, along with the targets set by the Agency. Impact cannot be reduced to a single quantitative factor and USAGM has implemented an Impact Model, supported by a robust set of performance indicators to gauge success. All of the performance indicators for USAGM Impact Objectives come from the Impact Model, which is described under “Evidence Building” in Section 2 of this document.

USAGM WEEKLY AUDIENCE CHARTS

All audience numbers are in millions.



FY 2019 targets are from the FY 2020 Congressional Budget Request and were based on significant proposed budget decreases. USAGM began setting overall annual audience targets for FY 2016; prior to that, targets were set for the individual networks only. FY 2016 is also the first year for which MBN set an overall audience target, rather than individual targets for Alhurra and Radio Sawa. FY 2017 is the first year that we have had national audience reach for OCB in Cuba.

Ongoing Challenges

MEDIA ENVIRONMENT

Major factors shaping the global political and security context for USAGM activities include barriers to freedom of information, the changing nature of communications, sophisticated disinformation operations by state and non-state actors, and threats to security from extremism and instability. Extremist rhetoric and incitement to violence directly threaten U.S. national security interests in Iraq, Syria, Afghanistan, Yemen, Somalia, and elsewhere, while the adroit adoption of digital and social media by actors around the world, including the Islamic State and others, threatens core U.S. values of freedom, democracy, and respect for human rights. Meanwhile, sophisticated state propaganda sponsored by Russia, China, and other authoritarian regimes propagates false narratives and disinformation, confusing audiences in order to subvert democratic ideals. The credible, factual, and locally-relevant journalism of the USAGM networks challenges these lies and half-truths, in order to support democratic values, open debate, and the peaceful resolution of conflicts.

To respond to this challenging environment, USAGM is focused on targeting key strategic areas aligned to U.S. foreign policy and on having and demonstrating impact.

A key challenge for USAGM is to deliver programming to audiences via the media and the formats they prefer, despite the instabilities and evolution of various media markets. USAGM is aggressively moving to formats and platforms that audiences use, including FM radio, TV, and digital platforms. In FY 2019, USAGM completed the installation of three new FM stations: Mogadishu, Somalia; Lomé, Togo; and Mombasa, Kenya.

To reach audiences, USAGM is constantly working to overcome jamming and censorship. USAGM has been at the forefront of the battle against satellite jamming, working closely with other concerned parties and through international forums to fight satellite jamming. In FY 2019, USAGM launched medium wave radio broadcasts to Burundi to circumvent Burundi's suspension of VOA's local FMs. On behalf of its broadcasters, USAGM's internet freedom program counteracts activities undertaken by governments such as China and Iran to

restrict internet access, constantly revising and updating its approaches and techniques to thwart internet censorship.

USAGM responds to crises and political changes worldwide with surges in broadcasting. In FY 2019, USAGM added four new language services as a result of crisis and growing challenges to press freedom: VOA Lingala, VOA Rohingya, RFE/RL Bulgarian, and RFE/RL Romanian to Romania. USAGM language services add additional coverage and create rich content to effectively and accurately inform people affected by crises and turmoil with very little lead-time and often with no defined end of surge. In FY 2019, USAGM provided extensive coverage of the Rohingya refugee crisis, ongoing civil war in Syria, human rights abuses against ethnic Uyghurs in China, protests in Hong Kong, and political crises in Nicaragua and Venezuela. Violent extremism continued to be an area of focus for USAGM networks, covering Boko Haram in Nigeria, the Taliban in South Asia, and ISIS in the MENA region, the Balkans, Central Asia, and elsewhere. Moving forward, USAGM seeks to increase its ability and authority for crisis broadcasting.

AUDIENCES

Within this challenging environment, USAGM has achieved a record weekly audience of 350 million people. USAGM networks are focused on expanding their audiences and increasing their impact by targeting programming and delivery methods to engage key, strategic audiences in priority countries and regions aligned with U.S. interests. Through the annual Language Service Review process, USAGM language services identify key target audiences and associated impact goals and performance targets.

USAGM's Office of Policy and Research (OPR) made several changes in FY 2019 to improve strategic decision-making and program targeting throughout the Agency. OPR relaunched its online Strategic Management and Audience Research Tool, a one-stop source of USAGM information with business intelligence, research, and strategy, and made it accessible to the inter-agency. OPR also deployed a new tool for real-time tracking of video on USAGM websites.

OPR is in the process of revisiting USAGM's audience measurement methodology in order to integrate other data sources, such as web and social media analytics and commercial ratings data. This new methodology will be thoroughly tested and validated before it is rolled out for performance reporting.

INFRASTRUCTURE

USAGM requires powerful and reliable infrastructure and equipment to fulfill its mission. USAGM customers – audiences and affiliate stations around the world – often have a number of news choices. To ensure these programs engage target audiences, USAGM must find ways to effectively deliver high quality programs in a format that is preferred by and accessible to the target audience. USAGM must manage a mix of media and technologies from traditional shortwave radio to satellite TV, internet, and mobile devices.

The rapidly evolving broadcast information technology market impacts much of USAGM's broadcast and transmission equipment. Different areas of the world depend on different types of broadcast technology, requiring USAGM to maintain a traditional transmission network, while investing in new media technology to support programming efforts such as news delivery via on-demand video or social media. New infrastructure must be established and maintained along with existing infrastructure, and this maintenance is complicated by the advent of digital technology with shorter replacement cycles. Given these constraints, USAGM strives to judiciously allocate resources to address the most critical infrastructure requirements as well as recurring technical infrastructure requirements and one-time projects.

USAGM is aggressively shifting to digital platforms, targeting future leaders and influencers. Efforts include enterprise web and social media engagement tools to measure traffic and engagement on USAGM sites and accounts on key platforms and new encryption and proxy tools to circumvent censorship.

On broadcast platforms, USAGM must carefully manage its transmission infrastructure to maintain a strong presence in critical markets, ensuring signal strength and reliability of broadcasts to vital areas throughout the world. USAGM works to meet this challenge by conducting in-depth analyses to meet the constant challenge of maintaining an effective and efficient transmission network.

USAGM's Office of Technology, Services, and Innovation has spearheaded a process to migrate away from less-effective transmissions to platforms that audiences prefer and transfer of transmissions away from high-cost facilities to lower-cost options.

MANAGEMENT

While audience preferences and research dictate the strategies of individual language services across USAGM, the Agency must remain flexible and capable of adapting to changes in regional priorities and broadcast strategies. USAGM must continually assess how best to scale and shape operations, including the right mix of language services, to meet the new challenges while enhancing performance.

Unpredictable global events and changing media consumption habits make it important that the Agency continually improve its ability to respond to events with agility and focus. As audience preferences in target broadcast areas have changed, USAGM has transitioned from radio-only broadcasts to multimedia news and information distribution, including television, the internet, and mobile applications. Like surge broadcasts, these changes in distribution availability and audience preferences evolve quickly and require that USAGM be innovative to respond effectively and decisively.

Through the CEO-chaired International Coordinating Committee (ICC), the leaders of the five USAGM global networks have planned coordinated coverage and content sharing, exchanged best practices, de-conflicted challenges, and coordinated on strategic issues. In FY 2019, the five USAGM networks collaborated on a joint reporting project, *The Fight for Press Freedom*, which highlights coverage of journalists, news media and the global environment for press freedom as reported by USAGM networks. Two recently established technology governance structures, the CIO Council and Digital Governance Council, coordinated technical planning and digital content delivery and performance.

Internally, the quality, competence, and morale of the USAGM workforce is critical to mission achievement. As such, the Agency has made the development and motivation of its workforce a key component of its Strategic Plan for meeting future challenges. Issues of federal employee morale and satisfaction, made apparent in the results of federal employee surveys, are being addressed through comprehensive Workplace Solutions initiatives and a new intra-agency communications platform.

Financial Highlights

The USAGM financial statements are included in the Financial Section of this report.

Preparing these statements allows USAGM to improve financial management and provide accurate and reliable information to Congress, the President, and the taxpayer. USAGM management is responsible for the integrity and objectivity of the financial information presented in the statements.

The financial statements and financial data presented in this report have been prepared from the accounting records of USAGM in conformity with accounting principles in the United States of America and incorporate the application of the standards as prescribed by the Federal Accounting Standards Advisory Board.

The following is a comparative summary of certain financial information derived from USAGM's Principal Financial Statements

Financial Highlights (in thousands)	FY 2019	FY 2018
At End of the Year:		
Condensed Balance Sheet Data:		
Fund Balance with Treasury	\$ 245,805	\$ 253,742
Cash and Other Monetary Assets	3	3
Accounts Receivable	127	171
Advances to Surrogate Broadcasters	78,000	72,000
Property, Plant and Equipment	69,540	79,783
Other	1,766	874
Total Assets	\$ 395,241	\$ 406,573
Accounts Payable and Other	\$ 26,999	\$ 30,407
Retirement and Payroll	43,671	42,184
Total Liabilities	\$ 70,670	\$ 72,591
Unexpended Appropriations	\$ 269,907	\$ 266,944
Cumulative Results of Operations	54,664	67,038
Total Net Position	324,571	333,982
Total Liabilities and Net Position	\$ 395,241	\$ 406,573
For the Year:		
Condensed Statement of Net Cost Data:		
Total Cost	\$ 832,021	\$ 798,131
Total Earned Revenue	(3,304)	(3,721)
Total Net Cost of Operations	\$ 828,717	\$ 794,410

The independent accounting firm, Williams, Adley & Company-DC, LLP, conducted our FY 2019 financial statement audit and issued an unmodified opinion on our Financial Statements.

Management Assurances

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT

The Federal Managers' Financial Integrity Act (FMFIA) of 1982 (Public Law 97-255) is designed to provide reasonable assurance that agencies institute management accountability and internal controls that support five objectives:

- Programs achieve their strategic objectives,
- Resources are effectively used consistent with the Agency's mission,
- Programs and resources are properly safeguarded against waste, fraud, and mismanagement,
- Information is reliable and timely to support decision making, and
- Agency complies with applicable laws and regulations.

For compliance with the FMFIA of 1982 and the Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, revised on July 2016; the Agency head of USAGM will provide the annual assurance statement on the status of:

- Effectiveness of internal control over financial reporting
- Effectiveness of internal control over operations
- Conformance with federal financial management system requirements
- Any material weakness found in the financial statements, which are derived from independent audits, Government Accountability Office (GAO), Office of the Inspector General (OIG) reviews, inspections or audits, and self-assessments conducted by USAGM's management

In compliance with FMFIA Section 4, 3512(d) (2) (B) Section 4-31 U.S.C. 3512(d) (2) (B), Senior Management prepares an annual statement on the agency's accounting systems conformity to the principles, standards, and related requirements prescribed by the Comptroller General. Based on this requirement, USAGM is required to comply with the Federal Information Security Management Act (FISMA). During FY 2019, USAGM made significant progress in the area of information security and risk management. The OIG recognized the Agency's efforts in developing and implementing a Corrective Action Plan (CAP)

to improve USAGM's information security program as well as the publication of a number of information security policies. Accordingly, the OIG's FY 2019 FISMA audit confirmed that USAGM progressed from an *AdHoc* to a *Defined* state in 5 of 8 metrics.

Additionally, in FY 2019, USAGM identified, assessed and analyzed Agency-wide risks, culminating in the development of the FY 2019 ERM risk profile in accordance with OMB Circular A-123. The FY 2019 risk profile prioritized significant risks to the achievement of USAGM's objectives and mission. The Agency has documented and is currently implementing appropriate risk response mitigation strategies to these enterprise risks. Consistent with the ERM process, the Office of Risk Management (ORM) will continuously monitor the progress and effectiveness of these mitigation strategies. In addition, during the FY 2020 ERM process, the FY 2019 profile risks will be evaluated and assessed.

FINANCIAL MANAGEMENT SYSTEMS AND REPORTING INTERNAL CONTROL REVIEW

Each year, USAGM receives an Independent Audit Report containing an opinion on our financial statements, a report on internal control over financial reporting, and a report on compliance with laws, regulations, contracts, and grant agreements. In addition to safeguarding resources and complying with laws and regulations, USAGM strives to fairly and accurately present financial reports that have a material effect on spending, budgetary, or other financial decisions.

FINANCIAL MANAGEMENT SYSTEMS STRATEGIES

USAGM performed an upgrade of the Momentum financial system to a current supported version which increased functionality and compliance with a variety of mandated requirements. Additionally, USAGM developed an interface between the financial system and the International Treasury Service (ITS). The development of the interface increased efficiency and accuracy in international payment processing.

USAGM converted the majority of VOA language service vendor contractors to personal service contractors (PSC). As a result of the PSC conversion these individuals record their time and attendance and receive wages directly from the agency. USAGM began the work to finalize requirements in support of converting to a new Human Resource system in FY 2020 to interface with the

existing Defense Civilian Payroll System (DCPS) because its current process will be unsupported in FY 2020 by the payroll processing system. USAGM continues to assess and automate processes to gain processing efficiencies and strengthen internal controls.

PAYMENT INTEGRITY PROGRAM

USAGM is dedicated to continuing to strengthen its improper payments program to ensure payments are valid and processed correctly. The Program utilizes an experienced and trained staff, a financial management system that is designed with control functions to mitigate risk, and an analysis process to review transactions and procedures.

USAGM performs assessments and procedures to comply with the Improper Payments Information Act of 2002 (IPIA), as amended, OMB Circular A-123 Appendix C and the OMB Memorandum updates.

More information on USAGM's activities safeguarding against improper payments can be found in Section Four.

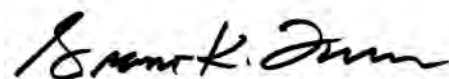
FY 2019 Statement of Assurance

The U.S. Agency for Global Media (USAGM) is responsible for establishing and maintaining effective internal control to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act. USAGM conducted its assessment of risk and internal control in accordance with OMB Circular No. 1-123, Management's Responsibility for Enterprise Risk Management and Internal Control. Based on the results of the assessment, the Agency can provide reasonable assurance that internal controls over operations, reporting and compliance were operating effectively as of September 30, 2019, except as noted below.

As part of USAGM's ERM efforts, a Chief Risk Officer was appointed to oversee, facilitate, and lead risk management activities across the agency. In June of 2018, the agency's previous Chief Executive Officer approved an ERM Strategic Framework and Implementation Plan that guides USAGM's ERM program. In FY 2019, USAGM identified, assessed, and analyzed agency-wide risks, culminating in the development of the FY 2019 ERM risk profile. This risk profile reflects significant risks to the achievement of USAGM's objectives and mission. The Agency has documented and is currently implementing appropriate response strategies to these enterprise risks.

Additionally, during FY 2019, USAGM senior leadership focused attention and resources on continuing progress in improving the oversight of its grants, including through implementing its Grants Management Standard Operating Procedure. The USAGM Risk Management Council included grantee oversight in the agency's enterprise risk profile, heightening the visibility and accountability of the efforts to mitigate risks in this area.

By maintaining our dedicated efforts, USAGM leadership is confident that, in collaboration with the Office of Inspector General, we will successfully address the remaining concerns.



Grant K. Turner
Chief Executive Officer and Director

Limitations of Financial Statements

The principal financial statements are prepared to report the financial position and results of operations of USAGM, pursuant to the requirements of 31 U.S.C. 3515 (b). The statements are prepared from its books and records in accordance with U.S. generally accepted accounting principles (GAAP) for Federal entities and the formats prescribed by the Office of Management and Budget. Reports used to monitor and control budgetary resources are prepared from the same books and records. The financial statements should be read with the realization that they are for a component of the U.S. Government.

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Section 2: Performance Information

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FY 2019 Goals, Objectives, and Results

SUMMARY OF THE 2018-2022 USAGM STRATEGIC PLAN

USAGM's 2018-2022 strategic plan continues an ambitious roadmap to refine and expand the reach and impact of U.S. international media in support of American strategic interests. The plan informs USAGM budget requests and supports the integration of performance, budget planning, and management of USAGM.

The mission of the U.S. Agency for Global Media remains to inform, engage, and connect people around the world in support of freedom and democracy.

This mission is achieved through two strategic goals:

- Expand freedom of information and expression
- Communicate America's democratic experience and values

Both of these strategic goals serve to further the USAGM mission of supporting freedom and democracy. Free press and free expression are universally acknowledged as key to free, open, democratic societies, which in turn support American interests through stability, peace, alliances, and trade. Communicating America's democratic experience and values serves the same purpose. In covering the United States, we open a window onto democracy in action.

USAGM's two strategic goals are supported by seven impact objectives and four agility objectives, each of which has supporting performance goals. All of the performance indicators supporting the impact objectives come from the USAGM impact model.

Woven into these objectives are five USAGM priorities that will position the networks for success in rapidly changing media environments:

- Maximizing program delivery agility
- Enhancing strategic cooperation between networks
- Focusing on key issues and audiences
- Improving accountability and impact measurement
- Targeting public-private partnerships on innovation and media reach

PERFORMANCE OVERVIEW

Mission:

To inform, engage and connect people around the world in support of freedom and democracy

Strategic Goals:

Expand freedom of information and expression
Communicate America's democratic experience and values

Objectives:

Impact Objectives

Agility Objectives
(see page 105)

USAGM's Strategic Goals are supported by Impact Objectives, which focus on performance on the mission, and Agility Objectives, which focus on the management of the agency.

Each objective is broken down into measurable performance goals. USAGM sets targets for these goals annually. Following is the five-year historical data for each performance goal, an explanation of the indicator and how it is measured, and a detailed analysis of the results.

IMPACT OBJECTIVES:

1	Produce and curate journalism and other content of exceptional value that informs and engages audiences and expands the media marketplace	IMPACT OBJECTIVE 1	34
		Audiences by platform and region	35
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		1.1 Reach significant audiences	37
		1.2 Provide programming that audiences find trustworthy	41
2	Reach and engage audiences in key strategic areas, including the information-denied, underserved, and targets of disinformation and extremist rhetoric	Citations of USAGM reporting in influential news outlets	43
		1.3 Provide programming that increases audiences understanding of current events	45
		Content curation that offers media options not otherwise available in the local market	47
		1.4 Provide programming that is influential with audiences	49
		Original reporting on issues of importance to audiences	51
		IMPACT OBJECTIVE 2	53
		PERFORMANCE GOALS:	
		2.1 Achieve significant audience reach in environments subject to extremist rhetoric and violence	55
		Examples of USAGM impact in environments subject to extremism	57
		2.2 Reach audiences in information-denied environments	58
		Examples of USAGM impact in information-denied environments	60
		News pickups and research from inside closed societies	62
		2.3 Reach audiences in environments targeted by state-sponsored disinformation campaigns	64
		Examples of USAGM impact in environments subject to state-sponsored disinformation	66

3	Overcome censorship to connect to audiences in closed societies.	IMPACT OBJECTIVE 3	67
		PERFORMANCE GOALS:	
		3.1 Increase usage of internet freedom products	68
		Development of new technologies and activities to counter internet censorship and blocking	70
		Education about and promotion of circumvention and digital security technologies	70
		Engagement on the international stage to combat satellite and radio jamming	71
4	Optimize program delivery by market and expand engagement on digital platforms	IMPACT OBJECTIVE 4	72
		PERFORMANCE GOALS:	
		4.1 Increase web traffic	74
		4.2 Increase audience interaction via social media	76
		4.3 Build strong affiliate relationships	78
		Shifting platforms to respond to changing audience preferences	79
		Using alternative, creative ways to deliver content	80
5	Serve as an authoritative source of information on U.S. news, policy, and society	IMPACT OBJECTIVE 5	81
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		5.1 Provide programming that increases audiences' understanding of the United States	83
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		Successful deployment of the U.S. bureau model	87
		Exceptional or unique coverage of important U.S. news stories	87
6	Serve as a surrogate news operation, delivering information otherwise not available in local markets	IMPACT OBJECTIVE 6	89
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		6.1 Provide programming that increases audiences' understanding of current events in target countries	91
		Coverage of important local news stories that other media are not covering	93
		6.2 Provide exceptional news and information	95
7	Engage local media and empower citizen information gathering and exchange	IMPACT OBJECTIVE 7	97
		PERFORMANCE GOALS:	
		7.1 Increase engagement with local media outlets	99
		Substantive engagement with key local media affiliates	100
		7.2 Increase sharing of USAGM programming	101
		Citizen journalism and user-generated content	103
		USAGM-facilitated dialogue across religious, national and ethnic groups	104

Impact Objective 1:

Produce and curate journalism and other content of exceptional value that informs and engages audiences and expands the media marketplace

Journalism is the daily work of USAGM broadcasters, and producing fact-based, verifiable news and information must be preeminent in Agency strategy. To have impact, our journalism must reach audiences, meet their interests along the breadth of subjects that matter to their lives and, at the same time, add value in expanding the media marketplace. Our aim is not just to follow the 24-hour news cycle but to drive the news agenda through original stories, investigative reporting, in-depth analysis, and a unique cross-cultural perspective that helps audiences become sophisticated consumers of news and media.

USAGM will:

- As mandated by Congress, provide news and other programming that is accurate, objective, and comprehensive and in accordance with the highest professional standards of journalism.
- Produce news and information, consistent with audience preferences and mission requirements, which are not addressed adequately by media in the target area, e.g., human rights and good governance.
- Offer non-news content that research, web analytics, and audience and affiliate feedback show is of vital interest to audiences, such as health, science, and technology.
- Produce enterprise reporting through deep and lasting exploration of critical issues in the countries we target.
- Curate content from and co-create content with reputable partners, as appropriate and consistent with broadcasting standards and editorial guidelines.

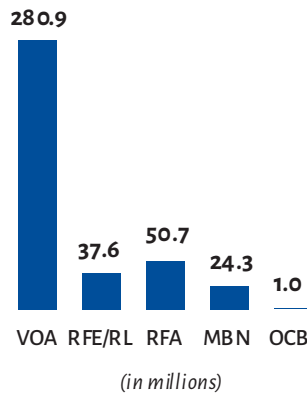
Impact Performance Goal Overview

Reach significant audiences

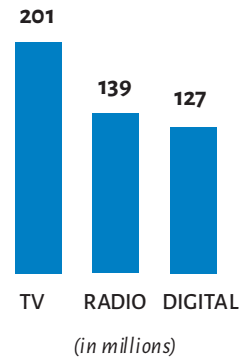
TOTAL USAGM
WEEKLY AUDIENCE

350
MILLION

BY NETWORK



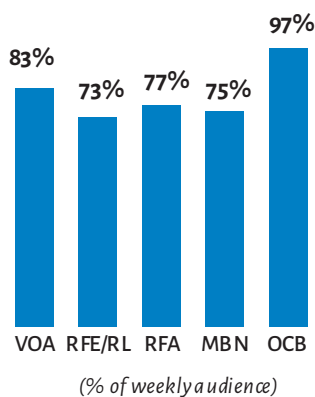
BY PLATFORM



Note: Total USAGM audience is unduplicated, meaning an individual audience member is counted once, regardless of how many platforms or networks they use. Therefore, the total USAGM audience is not equal to the sum of audience by network or by platform.

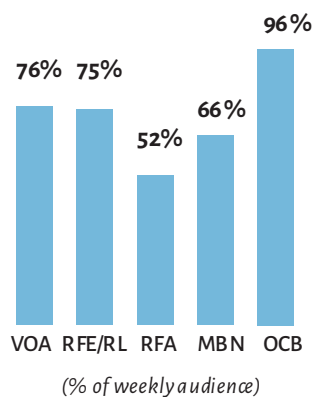
1.2

Provide programming that audiences find trustworthy



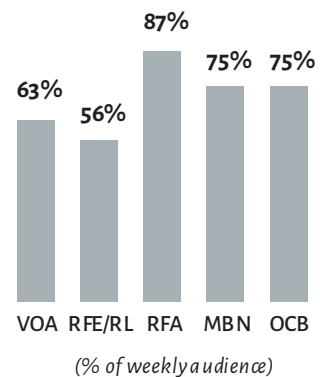
1.3

Provide programming that increases audiences' understanding



1.4

Provide programming that is influential with audiences



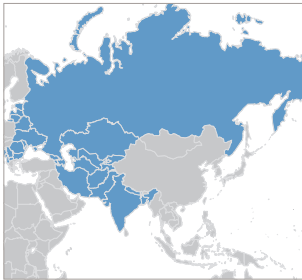
Audience by Region:



MIDDLE EAST AND NORTH AFRICA

29.1 MILLION

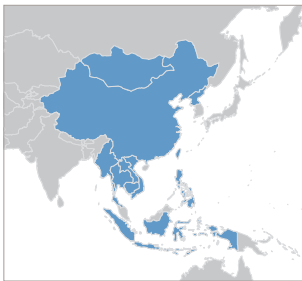
Data from Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Palestinian Territories, Qatar, Saudi Arabia, Syria, Tunisia, Turkey, UAE, Yemen. Reflects audiences for MBN and VOA.



NEAR EAST, SOUTH AND CENTRAL ASIA, EURASIA

65.2 MILLION

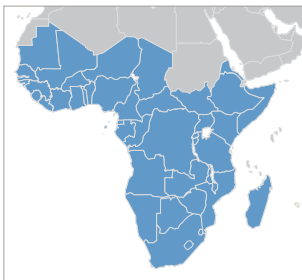
Data from Abkhazia, Afghanistan, Albania, Armenia, Azerbaijan, Bangladesh, Belarus, Bosnia, Chechnya, Dagestan, Estonia, Georgia, Iran, Kazakhstan, Kosovo, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Nagorno-Karabakh, Pakistan (including former FATA), Russia, Serbia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan. Reflects audiences for RFE/RL and VOA.



EAST AND SOUTHEAST ASIA

117.8 MILLION

Data from Burma, Cambodia, China, Hong Kong, Indonesia, Laos, Taiwan, Thailand, Vietnam. Reflects audiences for RFA and VOA.



SUB-SAHARAN AFRICA

69.1 MILLION

Data from Benin, Botswana, Burkina Faso, Burundi, Central African Republic, Cote d'Ivoire, Democratic Republic of Congo, Ethiopia, Gabon, Ghana, Kenya, Liberia, Madagascar, Malawi, Mali, Mozambique, Nigeria, Senegal, Sierra Leone, Somalia, South Africa, South Sudan, Tanzania, Uganda, Zambia, Zimbabwe. Reflects audiences for VOA.



LATIN AMERICA

68.8 MILLION

Data from Argentina, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela. Reflects audiences for OCB and VOA.

IMPACT OBJECTIVE 1

Impact Performance Goal 1.1: Reach significant audiences

Measured Weekly Audience (in millions)	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
USAGM	226	278	278	345	337	350
VOA	187.7	236.6	236.8	275.2	265.0	280.9
RFE/RL	23.6	26.9	25.8	33.9	34.2	37.6
RFA	7.5	6.4	6.9	50.7	49.5	50.7
MBN	25.7	27.5	25.7	24.7	27.0	24.3
OCB	NA	NA	1.0	1.0	2.0	1.0

Notes:

- FY 2019 targets are from the FY 2020 Congressional Budget Request and were based on significant proposed budget decreases.
- Audience estimates do not include data for Eritrea, North Korea, Oman, or Tibetan and Uyghur regions of China, because political risk has made it impossible to carry out representative surveys in the target regions. Restricted areas represent a significant portion of the countries and regions targeted by RFA language services.

IMPACT INDICATOR:

Measured Weekly Audiences

This indicator comes from national surveys and measures the number of people in target areas listening to, reading, or viewing USAGM programming or online materials in the past week. (USAGM also draws performance data from other sources, including digital analytics and social media metrics.) The measure is obtained for each language service (except Korean, Uyghur, Tatar-Bashkir, and Tibetan) and for the countries served by USAGM that were surveyed within the past five years. It is based upon the measurement of the “regular listening audience,” a statistical standard long used to report international radio audience measurement. Regular listening or viewing audience (radio, TV or internet) has over the years been consistently defined as all adults listening or viewing at least once a week, as determined by an audience survey that has an adequately designed sample. The USAGM weekly audience is unduplicated, i.e., a member of the audience is counted only once, regardless of the number of times, platforms, or networks they consume each week. USAGM does not conduct surveys in every country every year, so audience figures may in some cases reflect weekly audience measures collected from up to five years in the past. This may result in an over- or underestimation of actual audience. Additionally, political volatility in certain markets may prevent the measurement of current audiences for services broadcasting to these areas.

USAGM continues to explore alternative methods for measuring audience reach, such as integrating digital analytics and commercial ratings data.

ANALYSIS OF RESULTS:

USAGM

Target: 337 million

Actual: 350 million

With a weekly audience of 350 million, USAGM surpassed its target of 337 million. This increase is due primarily to audience growth in Mexico, Afghanistan, Pakistan, Zimbabwe, and Malawi.

VOA

Target: 265.0 million

Actual: 280.9 million

Growth in VOA's measured past-week global audience during FY 2019 surpassed its target by 6 percent, adding 5.7 million weekly users and reaching a weekly audience of 280.9 million. Significant increases were measured in Mexico (increase of 5.2 million), Afghanistan (4.3 million), and Pakistan (3 million), Zimbabwe (2.4 million) and Malawi (2.4 million), with six-figure increases measured in several smaller markets. These gains were offset by losses in very populous Indonesia (8.7 million) and Nigeria (1.2 million), as well as the dropping of nine markets where survey data was more than five years old (7.4 million). In the markets with gains of at least 3 million, all platforms attracted new audiences, with the exception of TV in Pakistan, where audiences remained flat. VOA TV in Mexico, however, surged with the addition of a successful new affiliate. Here and elsewhere, internet audiences are growing exponentially, albeit from a smaller base than historically larger TV audiences. For example, despite the loss of TV audiences, VOA digital audiences in Indonesia grew by nearly 600 percent since 2016.

RFE/RL

Target: 34.2 million

Actual: 37.6 million

RFE/RL's weekly audience of 37.6 million in FY 2019 exceeded RFE/RL's target of 34.2 million. Compared to FY 2018, the weekly audience increased from 33.9 million. New field research was finalized in a limited number of RFE/RL markets over the course of FY 2019 but notable audience gains were recorded in Afghanistan. RFE/RL in Afghanistan increased the size of its measured weekly audience by 1.7 million to 6.6 million and now reaches 43.9 percent of Afghan adults each week. Usage of RFE/RL grew on every platform, but growth in radio listening and RFE/RL's return to TV broadcasting provided the largest audience increases. Gains in usage of RFE/RL's Pashto-language Radio Mashaal captured in this year's national survey in Pakistan also contributed to the growth in RFE/RL's weekly audience. Although border areas home to Radio Mashaal's primary target audience are not included in the national study in Pakistan, the measured weekly

audience of Mashaal now tops 1 million. RFE/RL also successfully completed a survey in Turkmenistan for the first time since 2011, allowing Turkmenistan to be included again in the global audience measurement. According to the results of the survey, 6.1 percent of Turkmenistani adults are using RFE/RL each week. Measured audiences in Armenia, the Balkans, and Kyrgyzstan also grew from previous surveys.

RFA	Target: 49.5 million	Actual: 50.7 million
------------	-----------------------------	-----------------------------

USAGM had no new data for RFA target markets in FY 2019, though a survey was fielded in Cambodia at the end of the fiscal year. The RFA audience research target anticipated some drop in Cambodia audiences after both RFA and VOA were removed from FM stations in the country in late FY 2018. In FY 2018, RFA experienced exponential audience growth from 6.9 million to 50.7 million driven by higher use in China and, to a lesser extent, in Burma.

MBN	Target: 27.0 million	Actual: 24.3 million
------------	-----------------------------	-----------------------------

MBN's target reach for FY 2019 was based on anticipated audience increases as the result of MBN's November 2018 relaunch. Reach is below target primarily because MBN did not receive final post-launch survey data for most markets until October 2019, after the cutoff for inclusion in the FY 2019 PAR. Finalized data from national surveys conducted in August and September 2019 and finalized in October 2019 shows MBN reach has increased in Egypt, Iraq, and Lebanon. These increases will be reflected in FY 2020 numbers.

OCB (<i>Radio and TV Marti</i>)	Target: 2.0 million	Actual: 1.0 million
--	----------------------------	----------------------------

USAGM did not commission a survey in Cuba in FY 2019, so OCB's weekly audience remains unchanged in FY 2019.

IMPACT OBJECTIVE 1

Impact Performance Goal 1.2: Provide programming that audiences find trustworthy

Program Credibility ¹ – percentage of weekly audience who consider information to be very or somewhat trustworthy	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
	Simple average		Weighted average			
VOA	86	86	83	84	82	83
RFE/RL	88	87	80	77	77	73
RFA	84	86	93	77	77	77
MBN	86	82	80	80	80	75
OCB	NA	NA	97	97	100	97

¹ Beginning with FY 2017, the scores for program credibility are weighted averages, based on audience size, of all program credibility scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

IMPACT INDICATOR:

Program Credibility

This indicator is determined by a question in representative surveys about trustworthiness of news and information of those sampled respondents who listened to or viewed each station at least once a week. The answers are registered on a four-point scale – Trust it a great deal, Trust it somewhat, Do not trust it very much, Do not trust it at all. The credibility index is a weighted average, by audience size, of the percentage of those answering the question in the survey (excluding those who did not respond or did not know) who report trusting news from the station a great deal or somewhat. Credibility estimates are not included for countries where the number of regular listeners/viewers/online users is so small ($n = <50$) that the estimate is unreliable.

ANALYSIS OF RESULTS:

VOA	Target: 82	Actual: 83
-----	------------	------------

VOA's program credibility score of 83 percent represents stability from the 2018 score of 84 percent. Changes in credibility scores for a broadcaster with a global audience as large as VOA's tend to be driven by the difference in sizes of the markets measured year to year, rather than a global change in perception. In FY 2019, a significant drop in credibility scores among an audience of 3 million in Pakistan (10 points), balances the smaller increases in credibility from much larger markets, such as Nigeria (2 points) and Indonesia (4 points).

RFE/RL	Target: 77	Actual: 73
--------	------------	------------

RFE/RL's program credibility score of 73 percent fell short of its goal of 77 percent. RFE/RL continues to hold a high level of credibility among its audience with three out of four weekly listeners, viewers, and online users rating its programming as very or somewhat trustworthy, including key markets where worsening opinions of the United States have contributed to lower program credibility scores for the RFE/RL broadcast services operating there.

RFA	Target: 77	Actual: 77
-----	------------	------------

USAGM had no new data for RFA's target markets in FY 2019. RFA's program credibility score of 77 reflects the overwhelming impact of FY 2018 data from China, because all indicators are weighted by population. (Chinese audiences were not included in program credibility indicators in previous years because of small audience sizes.) China's more repressive control of media make survey respondents reluctant to admit finding banned materials appealing or credible. Credibility numbers measured in the relatively more open markets of Cambodia and Burmese were significantly higher.

MBN	Target: 80	Actual: 75
-----	------------	------------

MBN's program credibility score of 75 was slightly below target, but primarily reflects changes in the Gulf (Kuwait and Qatar) and the Palestinian Territories. These are the only countries for which MBN had new data in 2019.

OCB	Target: 100	Actual: 97
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USAGM did not commission a survey in Cuba in FY 2019, so OCB's credibility score remains unchanged in FY 2019.

A CLOSER LOOK:

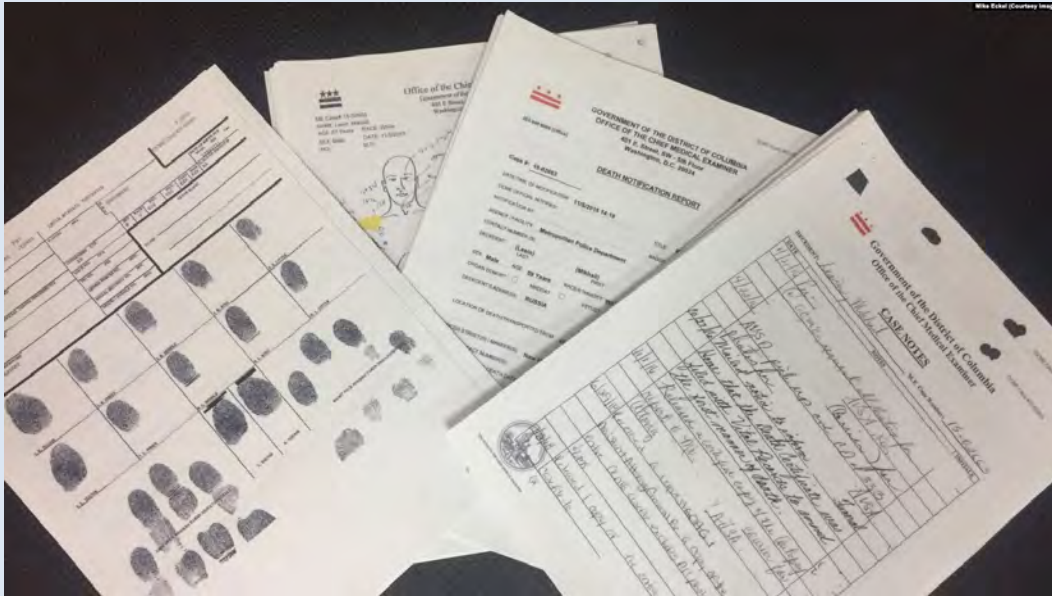
Citations of USAGM reporting in influential news outlets



VOA Spanish interviews Secretary of State Mike Pompeo

HIGH PROFILE INTERVIEWS VOA's frequent interviews with heads of state and senior policymakers get wide pickup in local and international media. Examples from FY 2019 include: a VOA Ukrainian interview with President Volodymyr Zelensky, the day before his first face-to-face meeting with President Trump at the UN General Assembly, which was republished and cited by hundreds of news outlets globally, including major American media organizations such as the *New York Times*, ABC, NBC, and AP; a VOA Spanish interview with Secretary of State Mike Pompeo on U.S. relations with Venezuela, which was picked up widely in the region including by Venezuela's leading digital media *El Nacional* and *La Patilla*; simultaneous translation by VOA Mandarin of Vice President Mike Pence's speech on U.S. policy toward China, which was censored by Chinese authorities, but still picked up and shared widely on Chinese social media; and multiple interviews conducted by services in the VOA Africa Division with political leaders and candidates, including the presidents of Guinea and the Central African Republic, the prime minister of Ethiopia, and leading presidential candidates in Nigeria, which were picked up by global wire services and media throughout the continent.

M MBN also saw wide citation throughout their broadcast region of their interviews with prominent policymakers, including Secretary of State Mike Pompeo; Special Representative for International Negotiations, Jason Greenblatt; and UN Special Envoy for Yemen, Martin Griffiths.



RFE/RL obtained these autopsy records, through a nearly two-year FOIA request, to produce exclusive reporting on Mikail Lesin's death.

EXCLUSIVE REPORTING In March 2019, RFE/RL published an exclusive story revealing new details in the death of former Russian government minister Mikhail Lesin. This exclusive was the result of a nearly two-year-long effort to pursue, through a FOIA request, the release of autopsy records in Lesin's death in a Washington, DC hotel room in 2015. The story was widely picked up in international and Russian media, including The Guardian, Associated Press, Ekho Moskvyy, Meduza, Dozhd, Lenta, Novaya Gazeta, and Kommersant.

IMPACT OBJECTIVE 1

Impact Performance Goal 1.3: Provide programming that increases the audiences' understanding of current events

Understanding – percent of weekly audience who report that the broadcasts have increased their understanding of current events somewhat or a great deal	Simple average		Weighted average			
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
VOA	85	86	81	76	75	76
RFE/RL	84	81	81	73	74	75
RFA	80	NA	NA	52	54	52
MBN	81	80	71	70	70	66
OCB	NA	NA	96	96	100	96

¹ Beginning with FY 2017, the scores for understanding are weighted averages, based on audience size, of all understanding scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

IMPACT INDICATOR:

Understanding of current events

This indicator is determined by a question in representative surveys asking weekly listeners/viewers/online users of [language] whether the broadcasts have “increased their understanding of current events.” The answers are registered on a four-point scale – a great deal, somewhat, very little, or not at all. The understanding indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey (excluding those who did not respond or did not know) who chose “a great deal” or “somewhat.”

ANALYSIS OF RESULTS:

VOA

Target: 75

Actual: 76

VOA's score on enhancing understanding of current events in FY 2019 met its target of 75 percent, and is identical to the FY 2018 score. Lower scores from weekly users in Russia and Iran contributed to the decline from 2017, although about six in ten users in both countries (as well as in China) say VOA content has increased their understanding of current events, and there have been no new surveys from those or similar markets in 2019 to have changed the score.

RFE/RL

Target: 74

Actual: 75

RFE/RL's understanding score of 75 percent in FY 2019 increased slightly compared to the previous year and met the target of 74 percent. RFE/RL continues to increase the understanding of current events among a significant portion of its audience with three in four weekly listeners, viewers, or online users reporting that its programs increased their understanding of current events.

RFA

Target: 54

Actual: 52

USAGM had no new data for RFA's target markets in FY 2019 and, therefore, had no movement from its FY 2018 measure. Historically, RFA's understanding scores have been based on data from Burma and Cambodia, where audiences have been robust. In FY 2018, the welcome growth in audiences in China meant that this indicator, weighted by population size, is reflective almost entirely of Chinese metrics. China's more repressive control of media make survey respondents reluctant to admit finding banned materials appealing or credible.

MBN

Target: 70

Actual: 66

MBN's understanding score of 66 percent in FY 2019 was close to the 70 percent target. MBN continues to increase understanding of current events among a significant portion of its audience in key countries. FY 2019 data reflects changes in Qatar, Kuwait, and the Palestinian Territories, the only three countries for which MBN had new data in FY 2019.

OCB

Target: 100

Actual: 96

USAGM did not commission a survey in Cuba in FY 2019, so OCB's understanding score remains unchanged in FY 2019.

A CLOSER LOOK:

Content curation that offers media options not otherwise available in the local market

USAGM NETWORKS FREQUENTLY ACQUIRE AND CURATE CONTENT FROM OTHER LEADING BROADCASTERS TO DIVERSIFY PROGRAM OFFERINGS.

VOA 365, USAGM's new 24-7 Persian-language satellite channel, acquires top quality programming that is then versioned into Persian and broadcast on the channel. Following the expanded outreach with the diaspora, VOA 365 acquired *Max Wheel* – a program hosted by well-known Iranian-American, Max Amini, in Los Angeles – and *The Achievers*, which profiles successful Iranian Americans in the U.S. Other top-shelf acquired programming carried on VOA 365 includes content and shows from the Smithsonian, National Geographic, PBS, ABC, CNN and Tech Show.

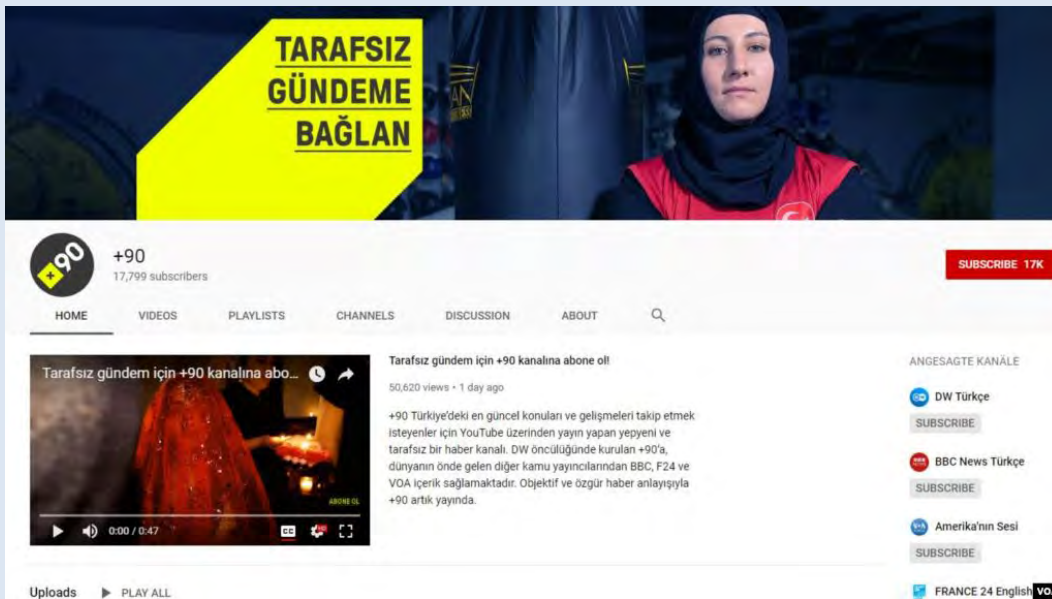


Current Time provides Russian-language audiences access to censored work by local filmmakers.

Current Time encourages and supports local filmmakers across the region via its preeminence as the single-largest broadcaster of original Russian-language documentaries. The network regularly shows short- and longer-form documentaries, including those that are banned in Russia because of their political content. Ratings data show that the documentary offerings are

consistently Current Time's most popular product. In FY 2019, these films included "Putin's Witnesses" and "My Friend Boris Nemtsov," which are virtually blacklisted in Russia and have limited access to Russian-speaking audiences. Current Time acquires more than 100 new documentary titles a year and serves its mission to turn a spotlight on people and issues that are ignored by Russian state media.

Alhurra's programming schedule incorporates a documentary hour each day that features the best nonfiction long-form content from prestigious filmmakers, producers and networks across the globe. The documentaries consist of compelling stories that complement Alhurra's original programming from suppliers such as PBS, BBC, History Channel, and others. Examples include: Ken Burns' documentary on the Vietnam War, a profile of Iraq's first biker gang, and a documentary about the lives of Jews in Egypt.



Turkish-language YouTube channel +90, produced collaboratively by VOA, BBC, DW, and France24

In 2019, VOA partnered with international broadcasters BBC, DW, and France24 to launch a Turkish-language channel countering increased Turkish government censorship of over-the-air media. The channel, which is available via YouTube, quickly exceeded 100,000 subscribers upon first launch and is currently growing at the rate of 1,000 subscribers per day.

IMPACT OBJECTIVE 1

Impact Performance Goal 1.4: Provide programming that is influential with audiences

Helps form opinions on important topics Percentage of weekly audience who report that the broadcasts have helped them form opinions on important topics somewhat or a great deal	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
VOA	62	63	60	63
RFE/RL	55	52	54	56
RFA	82	87	88	87
MBN	71	71	72	75
OCB	75	75	85	75

Note:

This was a new measure in FY 2017. Actuals for FY 2015-2016 are not available.

IMPACT INDICATOR:

Helps form opinions

This indicator is determined by a question in representative surveys asking past week listeners/viewers/online users of [language] whether the broadcasts have helped them form opinions on important topics. The answers are registered on a four-point scale: a great deal, somewhat, very little, or not at all. This indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey (excluding those who did not respond or did not know) who chose “a great deal” or “somewhat.”

ANALYSIS OF RESULTS:

VOA	Target: 60	Actual: 63
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VOA met its target with a score of 63 percent of weekly users who say its content has helped them form their own opinions. This figure has been very stable for three years. Like credibility scores, these scores are most likely to change when new large audiences are included in the global figures.

RFE/RL	Target: 54	Actual: 56
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RFE/RL's score of 56 percent of weekly users who say its content has helped them form their own opinions increased slightly compared to the previous year and met the target of 54 percent.

RFA	Target: 88	Actual: 87
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USAGM had no new data for RFA's target markets in FY 2019 and, therefore, had no movement from its FY 2018 measurement. RFA's score of 87 percent of weekly users who say its content has helped them form their own opinions reflects the opinions of audiences in Cambodia and Burma. (Research contractors were not able to measure this indicator in China.)

MBN	Target: 72	Actual: 75
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MBN's score of 75 percent is a slight increase from the target and reflects in part, the impact of new programming as a result of MBN's November 2018 relaunch. The relaunch has placed greater focus on investigative reporting and issues that many outlets in the region tend to avoid such as human rights and religious reform and pluralism.

OCB	Target: 85	Actual: 75
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USAGM did not commission a survey in Cuba in FY 2019, so OCB's score of 75 percent of weekly users who say its content has helped them form their own opinions remains unchanged in FY 2019.

A CLOSER LOOK:

Original reporting on issues of importance to audiences



Salwa Kalaf, a Yazidi survivor, describes her abduction and escape from ISIS in Iraq.

COVERING STORIES NOT COVERED ELSEWHERE: YAZIDI ABDUCTIONS VOA

produced “Hell and Hope,” a feature documentary about the lives of Yazidi girls abducted by ISIS terrorists in 2014 from Sinjar province in Iraq. The militants raped, tortured and sold the girls several times while in captivity. Few girls risked their lives to escape, but some of those who succeeded were eventually able to settle in Germany, where they live and work today. VOA journalists traveled to Germany to meet and record the girls’ personal stories.

REPORTING ON CLIMATE CHANGE IN CUBA OCB produced and aired a series of ten radio shows about climate change and sea level rise in FY 2019. The series described how climate change affects Cuba and Florida, and what the two sides of the Straits of Florida are doing to remedy the impact of climate change on weather, agriculture, and quality of life for the residents. The programs were hosted by Dr. Francis Colon, PhD in biology and former science adviser to the State Department, and included the participation of more than a dozen PhDs, professors, and meteorologists.

A REGIONAL FOCUS: NORTHWEST RUSSIA In FY 2019, RFE/RL launched a new reporting project for Northwest Russia. The new regional reporting project called Sever.Realii (North Realities), covering all of northwestern Russia – including St. Petersburg, Murmansk, Petrozavodsk, and Kaliningrad, aims at providing objective, unbiased, and on-the-ground information to the region’s audiences. Covering around 1.7 million square kilometers and with a population of about 14 million, the region accounts for about one tenth of the territory and population of Russia. Sever.Realii is RFE/RL’s fourth “Realii” project inside Russia.



**EMERGING STORIES:
HONG KONG PROTESTS**

RFA Mandarin and Cantonese Services have collaborated closely and shared content in covering the 2019 Hong Kong protests. In June, as the protests were taking off, Hong Kong staff

from the Mandarin and Cantonese Services ran a 5-hour live show to provide first-hand information to audiences, including on social media. This cooperation continued and VOA also used the live feed on their website.

GENERATING COVERAGE FROM THE REGION: MIDDLE EAST At the beginning of FY 2019, MBN relaunched Alhurra television. The relaunch redefines Alhurra as a distinctly American channel with an American voice supporting human dignity and universal rights and values. A new programming grid was launched with new graphics from new studios and with a new production hub in Dubai to revitalize and redefine the channel in a hyper-competitive and saturated Arabic media market. Nearly one-third of the programming day for the Pan-Arab Alhurra channel is now generated from the region in sync with the region’s news cycle. The new grid includes a dynamic blend of news coupled with select, quality programming that drives contemplation and engagement on issues of relevance to the target audience and concerns.

Impact Objective 2:

Reach and engage audiences in key strategic areas, including the information-denied, underserved, and targets of disinformation and extremist rhetoric

In deciding where to target, USAGM considers the local media situation, along with U.S. strategic interests, and prioritizes countries that lack a free or developed press. Special consideration is given to populations at risk due to extremist rhetoric and disinformation. USAGM prioritizes reaching audiences in areas plagued by extremism, where extremist forces espouse a violent ideology and execute campaigns of terror that threaten U.S. and regional security and stymie free, open, democratic societies. Another key focus area is audiences subjected to state-sponsored disinformation campaigns, which seek to undermine democratic norms and the very idea of objective truth. In all target countries, the USAGM networks seek to grow their audience base and reach those traditionally underserved by USAGM broadcasts. Populations in the target countries are overwhelmingly young – a challenge, but also a chance for us to connect with a demographic that in many cases has never even heard of us. USAGM’s current audiences are approximately 58 percent male and 42 percent female – an imbalance ripe for correcting. USAGM understands that to reach and be relevant with these audiences, it needs to provide them with content that not only informs them of international and local news, but assists them in building and participating in a civil society.

USAGM will:

- Prioritize countries lacking freedom and democracy or faced with disinformation or extremism, where accurate, credible news and information are lacking. Boost service to these areas, where feasible.
- Introduce service in selected new languages to reach sizeable new audiences in countries where USAGM products are urgently needed.
- Reach out to women and youth with programming that addresses issues of concern and relevance to their lives.
- Sharpen audience segmentation and targeting to drive content strategies and better address gender and age demographics, as well as psychographic segments.

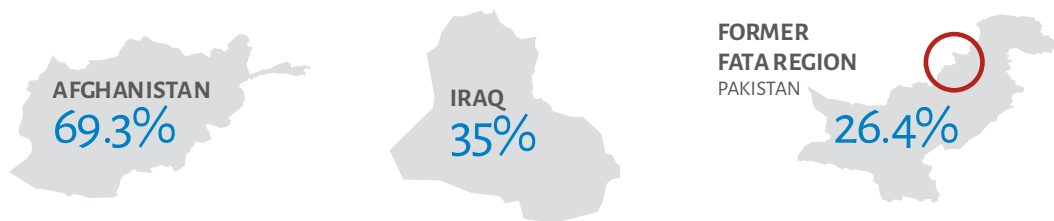
- Serve as a conduit for the transmission of reporting from inside closed societies lacking press freedom to outside audiences.
- Ensure strong local news coverage, as warranted by events, to meet urgent audience needs in areas of crisis.
- Draw on the experiences of the world's many models of free societies, in particular the U.S., to present a broad array of political views and debates.

Impact Performance Goal Overview

Snapshot of Weekly Audience Reach in Key Countries

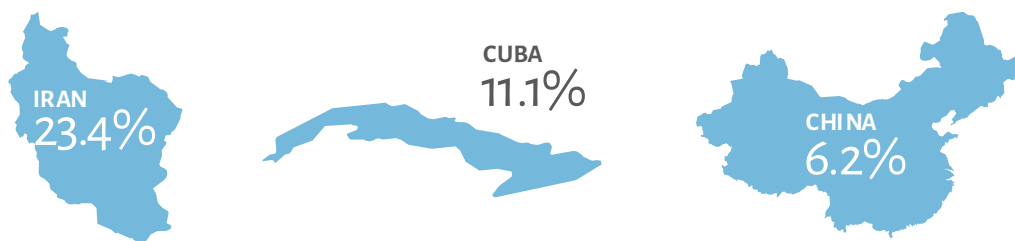
2.1

Achieve significant audience reach in environments subject to extremist rhetoric and violence.



2.2

Reach audiences in information-denied environments.



2.3

Reach audiences in environments targeted by state-sponsored disinformation campaigns.



IMPACT OBJECTIVE 2

Impact Performance Goal 2.1: Achieve significant audience reach in environments subject to extremist rhetoric and violence

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Increase or maintain weekly audiences in: ¹						
Iraq ²	42.4% (Nov 2014)	42.6% (Jan 2016)	42.6% (Jan 2016)	42.6% (Jan 2016)	44%	35.0% (Jul 2017)
Kenya	12.1% (Aug 2015)	12.1% (Aug 2015)	20.2% (Feb 2017)	20.2% (Feb 2017)	18%	20.2% (Feb 2017)
Nigeria	18.1% (Jun 2015)	21.0% (Feb 2016)	21.0% (Feb 2016)	21.0% (Feb 2016)	21%	19.2% (Jul 2018)
Afghanistan	49.4% (Nov 2015)	49.4% (Nov 2015)	38.5% (Nov 2016)	38.5% (Nov 2016)	30%	69.3% (Jul 2018)
Pakistan (excluding Former FATA and Gilgit Baltistan)	5.7% (Jun 2014)	5.7% (Jun 2014)	2.9% (Aug 2016)	2.9% (Aug 2016)	4%	5.3% (Jan 2019)
Former FATA region ³	26.4% (Jun 2015)	26.4% (Jun 2015)	26.4% (Jun 2015)	26.4% (Jun 2015)	27%	26.4% (Jun 2015)
Central Asia ⁴	2.4 million	2.7 million	3.9 million	3.9 million	4.1 million	4.3 million

¹ Multi-country estimates are presented in real numbers, rather than percentages, because of the potential high variations in percentages across covered countries. The countries and regions listed were selected by USAGM experts and represent a subset of those that the USAGM networks target with programming that provides news and information to counter extremist messaging.

² Iraq includes audience for Alhurra, Radio Sawa, and VOA Kurdish and English. FY 2018 and 2019 figures also include audiences for www.Irfaasawtak.com. The FY 2019 audience figure from Iraq is based on a survey conducted in July 2017, which was not finalized in time for previous years' reports. Data from an August 2019 survey in Iraq was not finalized in time for inclusion in this document but signals a significant audience increase.

³ The USAGM survey of FATA covers the following territories of Pakistan where probability sampling was possible: Bajaur and Mohmand agency and the frontier regions of DI Khan, Kohat, Lakki, Peshawar, which are now part of the Khyber Pakhtunkhwa province.

⁴ Includes data from Kazakhstan (Nov 2016), Kyrgyzstan (Oct 2018), Tajikistan (June 2017), Turkmenistan (June 2019), Uzbekistan (May 2017).

IMPACT INDICATOR:

Weekly audience is defined under Impact Performance Goal 1.1.

ANALYSIS OF RESULTS:

New survey results are presented for four of these countries in FY 2019: Iraq, Nigeria, Afghanistan, and Pakistan. USAGM audiences increased and surpassed targets in Afghanistan and Pakistan. Based on data collected in Iraq in July 2017 and in Nigeria in July 2018, USAGM audiences decreased and missed the targets in those countries. A new survey of Iraq (conducted in August and September 2019 but not finalized until FY 2020) found increased audience there. In addition, new data available from Turkmenistan pushed the Central Asia audience beyond its target.

A CLOSER LOOK:

Examples of USAGM impact in environments subject to extremism

CALL-IN PROGRAM ENCOURAGES DISCUSSION OF CIVIC ISSUES IN IRAQ

MBN's Sawa-Iraq radio has a daily call-in program *What's Your Opinion* that solicits callers and opens up the program to discussion and debates over the issues that impact the lives of Iraqis. This show is part of the Raise Your Voice initiative. In FY 2019, *What's Your Opinion* tackled topics such as how to achieve peace in Iraq. Callers stated they believed that some of the officials in the Iraqi government are helping Iran launder money through Iraq, while others brought up that this is killing the domestic and agricultural economy in Iraq. Based on the success of the Sawa-Iraq call-in program, when Sawa-Levant was launched it included two daily call-in shows (one targeting the youth and the other focusing on the daily issues that impact the lives of the audience).

COVERAGE OF AFGHAN-TALIBAN PEACE TALKS In Afghanistan, where peace talks have recently progressed between the Kabul government and the Taliban, RFE/RL has exposed the harsh realities faced by those under the Taliban's rule, aired women's voices and concerns that Afghan women might pay a huge price if a peace deal is reached with the Taliban, and showcased Western voices and analysis of what could result from a deal. VOA has provided policy and perspectives from the U.S. and around the world. USAGM's recently finalized survey of Afghanistan found that VOA and RFE/RL content is used by 69 percent of adults in Afghanistan on a weekly basis. These audiences have high levels of trust in the information provided by the USAGM networks.

PROVIDING ALTERNATIVE NEWS SOURCES IN FATA REGION. Through RFE/RL's Radio Mashaal and VOA's Radio Deewa, USAGM engages Pashto-speaking audiences, primarily youth, which are targeted by recruitment efforts of militant groups that have had a monopoly on information in Pakistan's Federally Administered Tribal Areas, which merged with Pakistan's northwestern Khyber Pakhtunkhwa province in 2018. In FY 2019, Radio Mashaal also launched a special radio project focusing on how extremists seek to influence and radicalize youth via social media.

IMPACT OBJECTIVE 2

Impact Performance Goal 2.2: Reach audiences in information-denied environments

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Increase or maintain weekly audiences in: ¹						
China	0.28% (Jun 2014)	0.28% (Jun 2014)	0.28% (Jun 2014)	6.2% (Aug 2017)	6.2%	6.2% (Aug 2017)
Vietnam	3.6% (Mar 2015)	3.6% (Mar 2015)	3.6% (July 2016)	3.6% (July 2016)	3.6%	3.6% (Jul 2016)
Laos	5.0% (Dec 2012)	5.0% (Dec 2012)	2.4% (Sep 2016)	2.4% (Sep 2016)	2.4%	2.4% (Sep 2016)
Turkmenistan	2.2% (Oct 2011)	2.2% (Oct 2011)	NA	NA	2.5%	6.1% (Jun 2019)
Uzbekistan	1.6% (Sep 2012)	1.6% (Sep 2012)	1.6% (May 2017)	1.6% (May 2017)	2.0%	1.6% (May 2017)
Iran	28.2% (Jan 2014)	14.9% (Aug 2015)	14.9% (Aug 2015)	23.4% (Sep 2017)	23%	23.4% (Sep 2017)
Azerbaijan	3.1% (Sep 2012)	3.5% (Dec 2015)	3.5% (Dec 2015)	3.5% (Dec 2015)	3.5%	3.5% (Dec 2015)
Cuba	NA	NA	11.1% (Mar 2017)	11.1% (Mar 2017)	20%	11.1% (Mar 2017)
Continue to serve and monitor information-denied environments lacking representative survey data, including North Korea, Eritrea, Syria, Tibet, and Xinjiang Uyghur Autonomous Region.						

¹ Selected countries include those targeted by USAGM networks, in which USAGM is able to conduct research, that have the lowest press freedom scores on external indices.

IMPACT INDICATOR:

Weekly audience is defined under Impact Performance Goal 1.1.

ANALYSIS OF RESULTS:

For the countries listed, new survey data were only available in Turkmenistan, where a measured weekly reach of 6.1 percent exceeded the target of 2.5 percent.

A CLOSER LOOK:

Examples of USAGM impact in information-denied environments

USAGM networks used a combination of broadcast and digital platforms to engage with audiences in closed societies and worked to gain preferred placement on platforms that continue to be available in respective markets where governments had cracked down.



RFE/RL Farda's Nazafarin Mirzakhali reporting from the Warsaw Ministerial.

EVADING CENSORSHIP IN IRAN In Iran, where the government bans satellite dishes and online access to international media, VOA Persian and RFE/RL Farda have been able to evade censorship. They reach audiences in Iran via internet, social media, and satellite television, broadcasting stories not reported by Iranian state media or that had previously been spun to reflect only the interests of Iran's regime, as well as covering live events important to Iranians from the United States perspective.

In FY 2019, under the network umbrella of VOA 365, VOA Persian, in cooperation with Radio Farda, added specialty web and TV programming focusing on the issues of corruption and inequality in the Iranian regime that have sparked continuing widespread protests. VOA 365 has broadened its slate of content offerings to present programs unavailable in Iran, combining original content with commissioned and acquired offerings.



VOA documentary “Pain with No End” followed the stories of Japanese citizens abducted by the North Korean regime in the 1970s.

EXPANDING PROGRAMMING TO NORTH KOREA Amid intensive United States diplomatic efforts to denuclearize North Korea in FY 2019, VOA’s Korean Service expanded its daily TV news offerings to North Korea. The Korean Service has increased video content on social media platforms in order to reach senior government officials inside North Korea and abroad. RFA’s Korean Service also expanded the use of social media to amplify its reach and leverage the phenomenon of human proxies bringing information from the outside into the Hermit Kingdom.

REACHING CHINA THROUGH SOCIAL MEDIA The VOA and RFA Mandarin Services played increasingly prominent roles through their coverage of China in FY 2019. Their online and social media audiences shot up during major news events that were heavily censored or even not reported inside China. Chinese audiences used circumvention technology to access this online, social media, and broadcast coverage. Distribution of branded VOA and RFA content through peer-to-peer social media technology was increasingly used by Chinese news consumers interested in other points of view about U.S./China relations and trade practices and issues not covered domestically.

News pickups and research from inside closed societies

EXCLUSIVE NEWS COVERAGE OF UYGHUR INTERNMENT CAMPS The RFA Uyghur Service has been breaking the shocking stories of Uyghurs being detained in internment camps in the Xinjiang Uyghur Autonomous Region (XUAR) since 2016. It is now estimated that more than one million Uyghurs are in the camps all over XUAR, including the family members of six RFA Uyghur reporters. Despite tremendous pressure, RFA's Uyghur Service is still on the front line delivering exclusive news from inside Xinjiang. The Uyghur Service's reports are continuously cited by major media, the U.S. Department of State, the U.S. Congress, and academia around the world, making the Uyghur situation one of the most concerning human rights issues today. The RFA Uyghur Service serves as the leading news source for the Uyghur-speaking community as well as for the Western media and human rights observers.

SURVEYS OF UYGHUR, TIBETAN, AND NORTH KOREAN TRAVELERS, DEFECTORS, AND REFUGEES High levels of political repression make it impossible for USAGM to conduct representative surveys for its Uyghur, Tibetan, and North Korean language services. However, RFA, working with USAGM and external research vendors, has successfully carried out surveys of travelers, defectors, and refugees from these inaccessible target markets in order to obtain the best possible information on these extraordinarily difficult markets.

In FY 2019, USAGM completed its first-ever survey of Uyghur travelers and refugees in Turkey. As more than a million Uyghurs were forced into reeducation camps within Xinjiang, Chinese threats to Uyghurs working and studying abroad led many to seek refuge in Turkey. This unprecedented survey of 300 Uyghur adults reached a relatively more educated and affluent group than the Uyghur population in Xinjiang. Even among this relatively elite group, direct experience with Chinese repression was widespread, including 62 percent who had had their homes searched, 97 percent who had been stopped at a random checkpoint and 5 percent who had been forced by the government to marry or divorce. More than a quarter of respondents were punished for using banned media, including RFA, which was used weekly by nearly 19 percent of respondents while in Xinjiang. One in four RFA audience members said they had gotten in trouble for using

RFA. Most paid bribes to avoid harsh punishment, but others were detained or had their media confiscated or destroyed. Two were detained more than a year for RFA use. VOA's Mandarin and/or English services also were used by more than one in ten of these multilingual Uyghur refugees.

USAGM has collected data from multiple surveys of North Korean refugees and defectors since early 2003, most recently in 2018, which have repeatedly confirmed direct use of RFA and VOA radio programs inside North Korea despite the threat of severe penalties for listening. While not representative of the underlying population, 13 percent of respondents reported listening to RFA and 9 percent had used VOA before they left their homeland – the majority on a weekly basis.

A decade-long survey program of Tibetan refugees collapsed in the last five years as Chinese control and influence in the region tightened. In FY 2019, USAGM funded a project to explore the feasibility of relaunching a global research effort for Tibetans using a tablet-based survey for diaspora and on-the-ground and phone-based data collection in India, North America and Europe.

IMPACT OBJECTIVE 2

Impact Performance Goal 2.3: Reach audiences in environments targeted by state-sponsored disinformation campaigns

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Increase or maintain weekly audiences in: ¹						
The Russian Federation	2.7% (Dec 2013)	4.9% (Jun 2016)	4.9% (Jun 2016)	7.7% ² (May 2018)	8%	7.7% (May 2018)
Ukraine	20.8% (Apr 2014)	18.0% (Jun 2016)	18.0% (Jun 2016)	18.0% (Jun 2016)	20%	18.0% (Jun 2016)
Moldova	8.3% (Oct 2010)	32.1% (Feb 2016)	32.1% (Feb 2016)	32.1% (Feb 2016)	32%	32.1% (Feb 2016)
Kazakhstan	0.9% (Jan 2011)	0.9% (Jan 2011)	9.6% (Nov 2016)	9.6% (Nov 2016)	10%	9.6% (Nov 2016)
Tajikistan	6.8% (Nov 2014)	11.4% (Jun 2016)	10.8% (Jun 2017)	10.8% (Jun 2017)	11%	10.8% (Jun 2017)
Estonia	5.2% (Aug 2015)	5.2% (Aug 2015)	5.1% (Jun 2016)	5.1% (Jun 2016)	7%	5.1% (Jun 2016)
Latvia	No data	7.2% (Aug 2015)	5.2% (Jul 2016)	5.2% (Jul 2016)	7%	5.2% (Jul 2016)
Lithuania	No data	10.0% (Aug 2016)	10.0% (Jul 2016)	10.0% (Jul 2016)	10%	10.0% (Jul 2016)

¹ The countries and regions listed were selected by USAGM experts and represent a subset of those that USAGM networks target with programming that provides news and information to counter state-sponsored propaganda.

³ The FY 2018 Actual for weekly audience in the Russian Federation was incorrectly reported as 7.5% in the FY 2019 PAR and FY 2020 Congressional Budget Justification. It has been corrected here to 7.7%.

IMPACT INDICATOR:

Weekly audience is defined under Impact Performance Goal 1.1.

ANALYSIS OF RESULTS:

New survey data were not available in any of these markets for FY 2019. However, the results from a national survey in Ukraine were recently finalized and fieldwork is currently underway in the Baltics and Moldova.

CONTEXTUAL INDICATORS:

Freedom House Rankings	# of USAGM target countries ranked		
	Not Free	Partly Free	Free
2019 Freedom in the World (political)	50	51	23

Reporters Without Borders Rankings	# of USAGM target countries ranked				
	Very Bad	Bad	Problematic	Fairly Good	Good
2019 World Press Freedom Index	19	48	46	9	3

Note:

Freedom House discontinued its Freedom of the Press Rankings in 2018. USAGM is now using Reporters Without Borders' World Press Freedom Index to track press freedom in its target countries.

A CLOSER LOOK:

Examples of USAGM impact in environments targeted by state-sponsored disinformation campaigns



Current Time anchor interviewing a man while he is being forcibly detained by Russian riot police in Moscow.

Photo: Andrei Zolotov (MBKh Media)

CURRENT TIME The 24/7 Current Time TV and digital network, led by RFE/RL in collaboration with VOA, provides Russian speakers across Russia, Ukraine, Central Asia, the Caucasus, the Baltics, Eastern Europe, and as far away as Israel with access to factual, accurate, topical and trustworthy information, and serves as a reliable antidote to disinformation that is driving conflict in the region. Current Time aims to depoliticize the Russian language by serving as a bias-

free news source for all Russian speakers, who are often limited to Kremlin-controlled media options even when living far beyond Russia's borders. Current Time covers social and political protests that state media ignore and reports extensively on corruption and the ongoing war in eastern Ukraine.

"CONTEXT" VOA's Russian Service launched a digital video series analyzing and debunking manipulation and propaganda entitled "Context," which analyzes rhetorical manipulation by Russian officials and the role of Russian state media in slanting domestic and foreign events. "Context" has achieved more than three million views since its onset.

FACT CHECKING RFE/RL's Faktograph in Russian and VOA's Polygraph in English are fact-checking sites that serve as a resource for verifying the increasing volume of disinformation and misinformation being distributed and shared globally. Especially popular on these sites are video fact checks, which have attracted hundreds of thousands of video views, particularly in Russia, Ukraine, Georgia, and Central Asia.

Impact Objective 3:

Overcome Censorship to connect audiences in closed societies

For almost 70 years U.S. international broadcasting has fought censorship in all its forms. Today, as the global media environment undergoes a dynamic revolution, access to a truly free press is actually in decline. Jamming of radio and TV broadcasts, including USAGM's, continues in a number of countries. Journalists suffer harassment and violence daily. Media laws often restrict free flows of information, limiting the ability of international news organizations to distribute their content. The internet in particular is under assault, even as audiences increasingly access and share our content on digital platforms and via social media. The Agency upholds the universal right of citizens everywhere to receive and impart information without restriction. USAGM works on many fronts to make news and information accessible to its global audiences with the aim of enabling not only unfettered access to Agency products but also the full spectrum of independent news sources on the internet. USAGM will:

- Lead in assisting the world's citizens to gain access to information on all platforms, advocating on the international stage and coordinating within the U.S. government and with international broadcasters and other allies.
- Help audiences understand through journalistic reports the practices and policies of internet censorship and circumvention.
- Fund technologies that counter internet censorship and internet blocking and allow citizens and journalists to operate securely online.
- Increase effective use of social media and digital platforms to combat censorship.
- Provide in-house digital expertise to address real-time censorship and jamming issues in targeted regions.
- Cultivate information-sharing relationships on internet freedom matters with other federal agencies, nonprofits, and the private sector.

IMPACT OBJECTIVE 3

Impact Performance Goal 3.1: Increase usage of internet freedom products

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Increase weekly unique users on Psiphon	NA	NA	649,040	967,763	1,000,000	621,392
Increase weekly visits to USAGM web sites through Psiphon	NA	NA	8,794,243	8,452,100	13,125,000	7,092,592
Increase proxy traffic through Psiphon	8,900 TB	11,048 TB	15,402 TB	21,725 TB	24,000 TB	15,875 TB

IMPACT INDICATORS:

Aspects of Usage of Psiphon

The measures for this performance goal reflect various aspects of usage of Psiphon, a USAGM-supported proxy tool for circumventing internet censorship. Metrics include average number of weekly unique users on Psiphon, average weekly visits to USAGM websites through Psiphon (measured as the number of landing pages served), and annual proxy traffic through Psiphon.

ANALYSIS OF RESULTS:

Weekly unique users

on Psiphon **Target: 1,000,000** **Actual: 621,392**

With 621,392 weekly unique users on Psiphon, USAGM did not meet its target of 1,000,000. Some of this was the result of contract negotiations with Psiphon that temporarily dropped some services. Other factors affecting usage have been extreme network throttling in Iran and blocking by China. However, USAGM is seeing steady spikes of new use from new areas such as Iraq, Syria and Egypt.

Weekly visits to USAGM web

sites through Psiphon **Target: 13,125,000** **Actual: 7,092,592**

Weekly visits to USAGM sites through Psiphon fell slightly in FY 2019 and did not meet the target of 13.1 million. USAGM's Office of Internet Freedom is examining the factors that led to this decline, including the throttling or blocking of internet access by hostile governments. We expect these numbers to increase as contractually removed services recover under the new contract and new services come online for Syria, Iraq and Egypt.

Proxy Traffic

through Psiphon **Target: 24,000 TB** **Actual: 15,897 TB**

With 15,875 TB of traffic in FY 2019, proxy traffic through Psiphon reflects the decrease in weekly users and visits.

Contextual Indicator:

Freedom House Rankings	# of countries with customized USAGM-sponsored circumvention tools ranked as:		
	Not Free	Partly Free	Not Ranked
2019 Freedom on the Net	11	1	4

A CLOSER LOOK:

Development of new technologies and activities to counter internet censorship and blocking

Through the Open Technology Fund (OTF), USAGM works to counter internet censorship and blocking around the world. In FY 2019, OTF supported the development of the Bypass Censorship browser extension, which delivers censorship-resistant copy sites allowing users to circumvent government-imposed blocks. The extension has been deployed across all USAGM entities as well as by fellow international broadcasters BBC and DW – over 100 sites in total.

OTF's focus on awareness is paying dividends in Hong Kong as protestors are displaying much more sophisticated digital security practices in response to a better understanding of Chinese surveillance capabilities and threats. OTF-incubated and USAGM-funded New Node has been incorporated into Telegram to make communications more resilient for Hong Kong protestors amidst jamming, network congestion, and the potential for network shutdowns.

Education about and promotion of circumvention and digital security technologies

USAGM's Office of Internet Freedom worked in coordination with all the USAGM language services to extend the deployment of anti-censorship technologies in their broadcasting regions. Activities included creating and conducting trainings for USAGM journalists and producing promotional materials in multiple languages to raise awareness of and promote USAGM-funded circumvention tools.

From 2018 through 2019, OTF supported Rapid Response engagements across the globe assisting at-risk individuals (journalists, human rights activists and NGO workers) in response to digital attacks and other forms of online censorship in places such as Gambia, DRC, Tibet, Iran, Thailand, Bahrain, Sudan, Ethiopia, Pakistan, Vietnam and Azerbaijan.

Engagement on the international stage to combat satellite and radio jamming

To counter the ongoing threat of intentional interference or jamming of its broadcasts on any platform, USAGM remains diligent in pursuing regulatory, technical, political, and public communication avenues to address the issue. USAGM has been at the forefront of the battle against satellite jamming, for example, working closely with other international broadcasters, the Department of State, non-governmental organizations, satellite operators, and industry groups. USAGM participates in a number of international forums and regularly works with other major international broadcasters, broadcast unions and satellite operators in support of new initiatives to counter jamming. In FY 2019, VOA added medium wave transmissions to Burundi in the Kirundi language to circumvent Burundi's ban on VOA programming.

Impact Objective 4:

Optimize program delivery by market and expand engagement on digital platforms

It is essential that USAGM reach audiences on their preferred media platforms. USAGM is aligning how it delivers content with how consumers access it now and in the future. USAGM will continue growing and enhancing new distribution methods, with specific attention to social and mobile platforms. On traditional media, USAGM is continually migrating to the most effective broadcast channels, including satellite and broadcast television and FM radio. The Agency is aggressively expanding and improving on its successful model of affiliations and syndication of content on all platforms. Ultimately, USAGM seeks to utilize the platforms that work best for the market at hand to get content to as many users as possible.

USAGM will:

- Increase distribution on platforms that USAGM knows audiences are using – FM, satellite and broadcast television, and mobile devices – continuing our migration away from legacy platforms where they do not reach audiences.
- Expand reach and engagement on digital platforms, including new streaming and over-the-top platforms.
- Find creative ways to penetrate closed societies, through flash drives, DVDs, and other alternative delivery means.
- Expand local distribution through affiliation with strong local television and FM radio stations and digital platforms and, where possible, installation of FM transmitters.
- Draw on research and other inputs to tailor format and presentation styles to audience needs and media usage habits, creating content that can break through ever-increasing clutter.
- Exploit the falling cost of video production by updating USAGM broadcasting facilities to support growing audience appetite for TV and video.

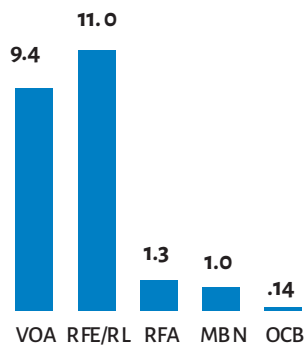
Impact Performance Goal Overview

4.1

Increase Web Traffic

WEEKLY WEB AND MOBILE VISITS

in millions

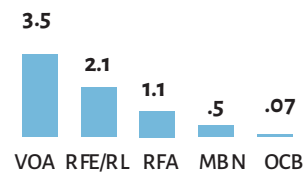


4.2

Increase audience interaction via social media

DIGITAL ENGAGEMENT

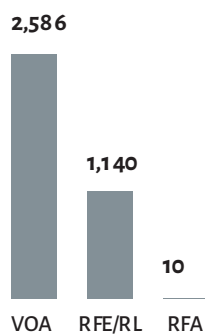
in millions



4.3

Build strong affiliate relationships

AFFILIATES



IMPACT OBJECTIVE 4

Impact Performance Goal 4.1: Increase web traffic

Average weekly visits to web and mobile sites	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
VOA	5,990,400	6,957,800	8,810,700	8,850,000	9,027,000	9,383,700
RFE/RL	7,890,400	7,500,200	8,464,600	9,751,200	10,238,800	10,990,200
RFA	764,700	848,700	901,200	1,010,900	1,061,400	1,267,000
MBN	249,400	490,300	1,092,400	854,500	982,700	1,028,100
OCB	119,200	162,800	172,500	142,600	156,900	136,100

Note:

- Numbers do not include some proxy visits and apps. These figures include some, but not all, traffic to apps. Traffic to social media sites (Facebook, Twitter, etc.) is also not included here.
- Data in the chart above should be compared across years and not across broadcasters, in part because broadcasters are measuring different numbers of web and mobile sites and languages (ranging from one to over 40).

IMPACT INDICATOR:

Average weekly visitors:

This indicator measures the number of visits to USAGM websites and mobile sites over a 52-week period and creates an average based on 52 weeks of data coinciding with the fiscal year. These data are collected using the Adobe Analytics tool. Unlike measured weekly audience reported above, average weekly visits to websites are not unduplicated, meaning one individual could account for multiple visits.

ANALYSIS OF RESULTS:

VOA	Target: 9,027,000	Actual: 9,383,700
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VOA's web and mobile traffic exceeded its target set for FY 2019, and experienced an increase of just over half a million weekly visits from FY 2018.

RFE/RL	Target: 10,238,800	Actual: 10,990,200
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RFE/RL's web and mobile traffic exceeded the target set for FY 2019. The number of weekly visits to RFE/RL websites grew by nearly 13 percent.

RFA	Target: 1,061,400	Actual: 1,267,000
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RFA's web and mobile traffic continued to grow in FY 2019, exceeding its 5 percent growth target. RFA continued its strong focus on growth in social media traffic. Surveys and qualitative research suggest that, for many online audience members, direct consumption of RFA via its branded websites has been outstripped by consumption of content on YouTube, Facebook, and other social media platforms.

MBN	Target: 982,700	Actual: 1,028,100
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MBN's weekly web traffic in FY 2018 is slightly above target and likely reflects in part enhanced focus on alhurra.com and radiosawa.com websites as part of MBN's November 2018 relaunch.

OCB	Target: 156,900	Actual: 136,100
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OCB's web and mobile traffic declined from FY 2018 and did not meet the target set for FY 2019.

IMPACT OBJECTIVE 4

Impact Performance Goal 4.2: Increase audience interaction via social media

Digital engagement action (average weekly)	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
VOA	Baselines not established	4,937,600	4,126,700	4,209,200	3,520,500
RFE/RL		2,106,100	2,261,300	2,283,900	2,131,100
RFA		1,125,300	823,200	831,400	1,130,900
MBN		646,700	883,000	1,015,500	501,000
OCB ¹		32,200	70,700	77,800	69,900

¹ OCB's FY 2018 Actual was previously reported incorrectly in the FY 2018 Performance and Accountability Report and FY 2020 Congressional Budget Justification, due to a calculation error; it has been corrected here.

IMPACT INDICATOR:

Digital Engagement Actions:

This indicator measures the weekly average number of engagement actions on currently measurable platforms, currently Facebook, Twitter, and YouTube. Engagement actions include measurable actions that demonstrate an activity beyond just consuming content: liking or “favoriting” or reacting to a USAGM post, commenting on a USAGM post, sharing/retweeting a USAGM post, liking or following a USAGM account or profile for the first time (i.e. this is counted only once, during the first week someone follows a USAGM account). These actions are tracked through online analytics by a third party vendor (Socialbakers).

ANALYSIS OF RESULTS:

VOA	Target: 4,209,200	Actual: 3,520,500
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VOA social media engagement fell from FY 2018 and did not meet the target set for FY 2019.

RFE/RL	Target: 2,283,900	Actual: 2,131,100
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Although engagement with RFE/RL content posted to the social media accounts tracked in Socialbakers remains high, RFE/RL did not meet its target as digital engagement actions fell by almost 6 percent.

RFA	Target: 831,400	Actual: 1,130,900
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RFA experienced robust growth in social media engagement, especially around new video products in Burma, and greatly exceeded its target. This indicator is calculated using metrics from Western social media, which is banned and blocked in China. The bulk of RFA engagement with Western social media is from Southeast Asia, with additional traffic in Hong Kong.

MBN	Target: 1,015,500	Actual: 501,000
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MBN missed its target for interactions on social media, which primarily reflects lower than expected interactions for Alhurra social media pages.

OCB	Target: 77,800	Actual: 69,900
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In FY 2019, OCB social media engagement decreased slightly from the previous year and did not meet the target set.

IMPACT OBJECTIVE 4

Impact Performance Goal 4.3: Build strong affiliate relationships

Number of affiliations (broadcast, online, and mobile)	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
VOA	2,088	2,265	2,411	2,247	2,000	2,586
RFE/RL	577	761	798	777	815	1,140
RFA	30	35	7*	11	9	10

* The drop in RFA affiliates in FY 2017 reflects the loss of affiliates in Cambodia and the correction of an accidental over count in previous years.

IMPACT INDICATOR:

Affiliations

Affiliates – broadcast stations and digital platforms that carry USAGM content – are a primary gatekeeper between the USAGM networks and their end users. Counting the number of affiliates, then, offers a measure of the appeal of the programming to these vital gatekeepers and distributors of the USAGM networks' content. As shortwave usage wanes in parts of the world, the importance of affiliations with local FM radio and television stations grows. With the growth of digital and mobile technology, there are new forms of affiliations, including online and mobile.

ANALYSIS OF RESULTS:

VOA Affiliates **Target: 2,000** **Actual: 2,586**

With 2,586 VOA affiliates, USAGM exceeded its target of 2,000 affiliations in FY 2019. The increase reflects a more accurate count of individual stations for television network affiliates.

RFE/RL Affiliates **Target: 815** **Actual: 1,140**

With 1,140 RFE/RL affiliates, USAGM exceeded its target of 815 affiliations in FY 2019. The increase reflects inclusion of Current Time affiliates, which had not previously been included, as well as a more accurate count of individual stations for television network affiliates.

RFA Affiliates **Target: 9** **Actual: 10**

With 10 RFA affiliates, USAGM exceeded its target of nine affiliates in FY 2019.

A CLOSER LOOK:

Shifting platforms to respond to changing audience preferences

DIGITAL is the fastest growing platform for USAGM audiences and is likely to overtake radio in the next few years. Most USAGM language services have robust online audiences, even in markets like Iran and China that are difficult to reach because of censorship. As audience behavior on social media changes, USAGM adapts by shifting to new platforms, including Instagram and Telegram.

TELEVISION remains the dominant platform for USAGM audiences globally. In FY 2019, the Agency built the infrastructure to provide audiences with streaming video-on-demand programming in 13 languages on 13 different platforms. This capability allows USAGM audiences who missed programs or who live outside of areas served by broadcast affiliates to watch programs on devices such as Roku, Apple TV, Amazon Fire TV, and various internet-connected TVs. OCB content launched this year and RFA and MBN will be launching in early FY 2020.

RADIO USAGM has responded to the decline in global shortwave radio usage by consolidating broadcasts to more cost-effective transmitting stations, also reducing or eliminating shortwave where it is no longer relevant. FM radio continues to be popular with audiences around the world. In FY 2019, USAGM added 24/7 FM transmitters in Mogadishu, Somalia; Lomé, Togo; and Mombasa, Kenya.

Service by service, USAGM seeks to be on the platforms that audiences use. In 2019, RFE/RL optimized operations by discontinuing terrestrial radio broadcasting to Belarus, transitioning to a primarily digital operation, complemented by several TV and radio offerings via satellite. The Belarusian Service continues to engage audiences via its website, audio live streams, podcasts, and numerous social platforms.

Using alternative, creative ways to deliver content

XINJIANG UYGHUR AUTONOMOUS REGION (XUAR) Where distribution challenges exist, USAGM networks find alternative delivery mechanisms. Recent Uyghur refugee survey research has confirmed that bundled content from RFA Uyghur and others is loaded by third parties onto portable digital devices (SD and USB drives, CDs, DVDs) and sold on the black market inside the Xinjiang Uyghur Autonomous Region (XUAR) in China. Similar delivery mechanisms exist in North Korea and Cuba.

TIBET VOA Tibetan uses an innovative way to distribute news and information, giving access to the blocked VOA Tibetan website. On air, through satellite feeds, VOA Tibetan programming show QR codes to a Psiphon Proxy-enabled URL that viewers can scan with their phones and be linked to VOA's website.

UZBEKISTAN Using messaging app Telegram, RFE/RL's Uzbek Service directly connects with audiences to receive on-the-ground reports from a country that would otherwise be closed off for RFE/RL reporters. After verification of the reports, the Service then disseminates the reporting via both Telegram and its "Telegram From You" website. The local reporting often drives impact across communities in Uzbekistan, where it has led to local residents' problems getting resolved.

ROHINGYA REFUGEE CAMPS With most Rohingya refugee families lacking radios of their own, NGOs have organized public listening sessions of recorded content to keep refugees informed and engaged. To augment direct shortwave transmissions, VOA's new Rohingya-language audio program, "Lifeline," has been placed on a development portal for distribution to these NGO-run listening groups. Organizers simply download program audio files and play them on loudspeakers at scheduled times in the camps.

Impact Objective 5:

Serve as an authoritative source of information on U.S. news, policy, and society

Representing American society and presenting and discussing U.S. policy are legislated mandates for the Agency and thus constitute mission imperatives. USAGM's coverage of the U.S. is comprehensive across all elements of society, but aims overall to convey the practice of democracy in all of its complexity. It is not about persuading audiences to admire the U.S.; it is about helping them see how the U.S. manages the challenges of a democratic society – from economic growth to fiscal crises to race relations to educating youth to addressing environmental change. These topic areas find ready comparisons in USAGM's target countries and resonate with the Agency's audiences in practical, meaningful ways. Carrying out this element of our mission requires sensitivity and creativity. Currents of anti-Americanism still run strong in some parts of the world, necessitating deft outreach that stresses dialogue, not monologue. The way people interact with media today, with emphasis on interaction, further affirms this approach. At the same time, America's still dominant role on the global stage makes it a focal point of international attention, and its national language is the one that tens of millions of people around the world seek to learn. VOA, in particular, is uniquely mandated and positioned to leverage these advantages to connect with diverse international audiences, serving as a U.S. news bureau for affiliate partners and providing English-learning programming.

USAGM will:

- Serve as a U.S. bureau for media outlets across the world that wish to engage with us for news, analysis, and perspectives from the United States – on the model that has succeeded in Ukraine, Latin America, Nigeria, Indonesia, and elsewhere.
- Portray the breadth and diversity of the American experience, with particular attention to diaspora communities and Americans outside of big cities.
- Emphasize English learning as a vehicle for positive audience engagement and interaction as well as information on American society and culture.

- Meet the global interest in American politics with in-depth coverage and analysis of national elections and coverage of other political events to impart the news and to elucidate the democratic process, with stories localized to make them interesting to specific target regions.
- Satisfy the world's growing appetite for learning English through TV and radio programs, online instruction, printed instructional materials, and innovative short-form videos designed for social media.

IMPACT OBJECTIVE 5

Impact Performance Goal 5.1: Provide programming that increases audiences' understanding of the United States

Understanding of American society ¹ – percentage of weekly audience who report that the broadcasts have increased their understanding of American society somewhat or a great deal	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
	Simple average		Weighted average			
VOA	60	62	67	62	61	56
MBN	NA	45	44	42	50	44
OCB	NA	NA	85	85	90	85

¹ Beginning with FY 2017, the scores for understanding of American society are weighted averages, based on audience size, of all understanding of American society scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

Understanding of U.S. foreign policy ¹ – percentage of weekly audience who report that the broadcasts have increased their understanding of U.S. foreign policy somewhat or a great deal	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
	Simple average		Weighted average			
VOA	61	60	68	60	60	54
MBN	NA	43	43	42	50	44
OCB	NA	NA	89	89	90	89

¹ Beginning with FY 2017, the scores for understanding of U.S. foreign policy are weighted averages, based on audience size, of all understanding of U.S. foreign policy scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

IMPACT INDICATORS:

Understanding of American Society:

This indicator is determined by a question in representative surveys asking weekly listeners/viewers/online users of a USAGM network's broadcasts in a particular language whether the broadcasts have "increased their understanding of American society." The answers are registered on a four-point scale – a great deal, somewhat, very little, or not at all. The understanding indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey (excluding those who did not respond or did not know) who chose "a great deal" or "somewhat."

Understanding of U.S. Foreign Policy:

This indicator is determined by a question in representative surveys asking weekly listeners/viewers/online users of a USAGM network's broadcasts in a particular language whether the broadcasts have "increased their understanding of U.S. foreign policy." The answers are registered on a four-point scale – a great deal, somewhat, very little, or not at all. The understanding indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey (excluding those who did not respond or did not know) who chose "a great deal" or "somewhat."

ANALYSIS OF RESULTS:

Understanding of American Society

VOA

Target: 61

Actual: 56

VOA's score for understanding of American society fell to 56 percent for FY 2019, below the comparable (weighted) score for FY 2018 and its target for the year. Single digit increases in understanding from Pakistan, Afghanistan, and several other markets could not make up for the drops in understanding from far larger audiences in Nigeria (18 points) and Indonesia (4.5 points).

MBN	Target: 50	Actual: 44
<p>MBN’s score for understanding of American society was 44 in FY 2019, versus the target of 50. The difference between the FY 2019 target and actual is attributable primarily to the lack of new data other than in Kuwait, Qatar, and the Palestinian Territories to update this year’s number.</p>		

OCB	Target: 90	Actual: 85
<p>USAGM did not commission a survey in Cuba in FY 2019, so OCB’s understanding of American society score remains unchanged in FY 2019.</p>		

Understanding of U.S. Foreign Policy

VOA	Target: 60	Actual: 54
<p>VOA’s score for increasing understanding of U.S. foreign policy dropped to 54 in FY 2019, below its FY 2019 target and its FY 2018 level. Although scores for this metric were down in many significant markets, it is the relatively low score among the massive audience in Mexico (45), where the question was asked for the first time, that is a main driver of the decrease. This is perhaps not surprising given the accelerated pace of the news from the U.S. as it relates to Mexico. An interesting exception is Afghanistan, a large audience where scores increased slightly.</p>		

MBN	Target: 50	Actual: 44
<p>MBN’s score for understanding of U.S. Foreign Policy was 44, versus the target of 50. The difference between the FY 2019 target and actual is attributable primarily to the lack of new data other than in Kuwait, Qatar, and the Palestinian Territories to update this year’s number.</p>		

OCB	Target: 90	Actual: 89
<p>USAGM did not commission a survey in Cuba in FY 2019, so OCB’s weekly audience remains unchanged in FY 2019.</p>		

IMPACT OBJECTIVE 5

Impact Performance Goal 5.2: Provide exceptional news and information

Uniqueness' Percentage of weekly audience reporting that broadcaster presents information they cannot get from other media	Simple average		Weighted average			
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
VOA	25	25	29	31	29	28

'Beginning with FY 2017, the scores for uniqueness are weighted averages, based on audience size, of all uniqueness scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification. Uniqueness scores for the other networks are presented in Impact Performance Goal 6.2: Serve as a surrogate news operation, delivering information otherwise not available in local markets.

IMPACT INDICATORS:

Uniqueness

This indicator is determined by a question in representative surveys asking past week listeners/viewers/online users of any language how much of the information provided by the entity is also available from other sources on the radio, TV, or internet. The answers are registered on a four-point scale – All of it is available elsewhere, Some of it is available elsewhere, Very little of it is available elsewhere, None of it is available elsewhere. The unique information indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey who chose “very little” or “none.”

ANALYSIS OF RESULTS:

Uniqueness

VOA

Target: 29

Actual: 28

VOA's score for uniqueness declined from FY 2018 and slightly missed the target set for the year.

A CLOSER LOOK:

Successful deployment of the U.S. bureau model

Many of VOA's language services act as *de facto* U.S. bureaus for their affiliate partners, providing news and analysis of significant developments in the U.S. and serving as the medium of record regarding policy pronouncements by American officials. VOA Spanish broadcasts live from Washington for its network of over 400 radio and television partners throughout Latin America. VOA Indonesian serves in this capacity for 11 national TV stations and many major radio networks. Similar arrangements exist in Turkey, Thailand, and throughout Eurasia.



Every Thursday, Ugandan broadcaster NBS links to a live correspondent report from *VOA Washington* in its primetime evening newscast. NBS and VOA editors decide jointly on the weekly topics, which have included elections in Africa, political events in the United States, and the latest world news.

Exceptional or unique coverage of important U.S. news stories

In FY 2019, VOA expanded reporting on United States focused topics including entrepreneurship, technology, and innovation, and expanded in-language coverage of the United States for foreign audiences. VOA also covered American issues that resonate with international audiences. Special program series produced by VOA's Russian and Persian services focused on American scientific achievement. VOA covered changing attitudes about immigration to the United States, reflecting all sides of the national conversation.

VOA aims to reflect the full diversity of the American story. VOA's Russian Service premiered a digital-first series, *Small Town America*, and a broadcast series, *New York New York*, showing international audiences a glimpse at life in the United States' largest and smallest places. VOA's Albanian, Armenian, Bosnian, Georgian, Macedonian, Serbian, and Ukrainian services collaborated on a new cross-platform video series, *Ambassadors of the American Experience*, profiling diaspora personalities and organizations as well as their contributions to American society.

As part of the Alhurra transformation in FY 2019, several shows and limited series were created, or improved, to augment Alhurra's ability to cover America and U.S. foreign policy. *From the Capital* is a daily hour-long program dedicated to news about America. *My Story*, an eleven-part limited series, explored the journey of Arab-Americans through first-hand accounts of the challenges and triumphs they faced in a new country that offered them refuge and opportunity from a turbulent Middle East. The program highlighted Arab-Americans in a variety of fields including business, the arts, science and civil society.

In FY 2019, OCB produced several original series that highlighted various aspects of the American experience – U.S. history, the Catholic Church in Miami, and an in-depth series on the city of Miami.

Impact Objective 6:

Serve as a surrogate news operation, delivering information otherwise not available in local markets

In environments where state-run media are dominant and independent media are either not allowed or not fully established, the USAGM networks, particularly RFE/RL and RFA, often play a surrogate role, acting as local media would if they were free to operate. In this role, the networks emphasize domestic news for their geographically-defined audiences and cover developments specific to defined target markets, especially in countries without a free press or in transition. They focus on local news events not covered in state-controlled domestic media, as well as other sensitive topics, including religion, science, and locally-banned literature and music. They give voice to dissidents and opposition movements, while maintaining balanced coverage, and serve as platforms for a range of opinions and voices from these countries.

USAGM will:

- Build strong networks of local stringers across target regions.
- Where possible, maintain an on-the-ground bureau presence, to report local news from a local perspective.
- Where in-country access is limited, cultivate networks of trusted contributors and closely monitor official and alternative media.
- Use social media and other interactive tools to gather information from closed societies, amplifying voices of those struggling for free expression.
- Provide platforms for free expression of various viewpoints and work to help people bridge traditional divides, including class, ethnicity, religion, etc.

Impact Performance Goal Overview

6.1

Provide programming that increases audiences' understanding of current events in target countries

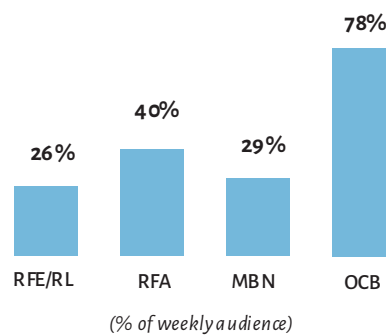
PROGRAMMING PROVIDES UNDERSTANDING OF CURRENT EVENTS IN TARGET COUNTRIES



6.2

Provide exceptional news and information

PROGRAMMING PROVIDES EXCEPTIONAL NEWS AND INFORMATION



IMPACT OBJECTIVE 6

Impact Performance Goal 6.1: Provide programming that increases audiences' understanding of current events in target countries

Understanding of current events in target country Percentage of weekly audience who report that the broadcasts have increased their understanding of current events in the target country somewhat or a great deal	FY 2017 Actual	FY 2018 Actual	FY 2018 Target	FY 2019 Actual
RFE/RL	83	77	78	75
RFA	86	83	84	83
MBN	NA	NA	NA	NA
OCB	NA	NA	NA	NA
VOA in relevant markets to be determined	NA	NA	NA	NA

Note:

This was a new measure in FY 2018. Actuals are not available for FY 2015-2016 and only available for a small number of language services for FY 2017-2019. The question will be incorporated into the core USAGM questionnaire going forward.

IMPACT INDICATORS:

Understanding of current events in target country

This indicator is determined by a question in representative surveys asking past week listeners/viewers/online users of [language] whether the broadcasts have “increased their understanding of current events in [target country].” The answers are registered on a four-point scale: a great deal, somewhat, very little, or not at all. The understanding indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey (excluding those who did not respond or did not know) who chose “a great deal” or “somewhat.”

ANALYSIS OF RESULTS:

RFE/RL

Target: 78

Actual: 75

Based on data from 16 countries and regions, RFE/RL's score regarding understanding of current events in the target country in FY 2019 was 75 percent, short of its target of 78 percent. RFE/RL continues to increase the understanding of current events in the target area through its surrogate broadcasting among a significant portion of its audience with three in four weekly listeners, viewers, or online users reporting that its programs increased their understanding of current events in the target area.

RFA

Target: 84

Actual: 83

USAGM had no new data for RFA's target markets in FY 2019 and, therefore, had no movement from its FY 2018 measurement. Based on data from Burma and Cambodia, RFA's score regarding understanding of current events in the target country was 83 percent. This metric was not measured in China.

A CLOSER LOOK:

Coverage of important local news stories that other media are not covering

IRAQ On all of its platforms, MBN regularly covers news not found on other networks including stories on human rights, freedom of speech and religious freedom. In FY 2019, Alhurra developed its first investigative reporting department and launched the weekly series *Alhurra Investigates*. *Alhurra Investigates* has no red lines found in other networks, such as not reporting on the political, religious, or financial interests of its owners. This wide-angle lens approach to investigative journalism has uncovered stories that are considered too sensitive or taboo in the region. One of the most impactful reports by *Alhurra Investigates* included a story that exposed fraud and corruption in both Sunni and Shia houses of worship. The report garnered immediate reaction throughout Iraq.

BULGARIA RFE/RL's Bulgarian Service, since resuming operations in January 2019, has broken major stories, working with local media outlets and anti-corruption groups to expose a massive real estate scandal involving ruling party members. The reporting was widely cited by major Bulgarian and Western media outlets, sparked an investigation by the Bulgarian Prosecutor-General's Office, and led to several prominent resignations.

BURMA (MYANMAR) After nearly a year off air because of a dispute with the government over use of the word "Rohingya," RFA Burmese has returned to terrestrial television with a weekly feature show, *Here & Now*, on the Democratic Voice of Burma network without compromising its editorial standards. In September, *Here & Now* featured a story looking at the plight of Rohingya still living in Rakhine State, including interviews with Rohingya on camera at camps in Sittwe.

CUBA OCB's weekly *Arcoiris (Rainbow)* program gives the LGBT community in Cuba a voice to express their goals and concerns and connects them with the Cuban-American and LGBT communities in the U.S. and the world. Since its launch in 2018, the weekend show has featured many prominent Cuban and international LGBT leaders and has become a "must-listen" show for the LGBT community; groups gather regularly to discuss the program.

VENEZUELA VOA Spanish has responded to the deepening governmental and human crisis in Venezuela by launching *Venezuela 360*, a 30-minute weekly multimedia current affairs program, featuring high profile interviews and in-depth news analysis. The show delves into topics including the U.S. policy towards the region, the deepening humanitarian and social crises, as well as economic challenges, the exodus of Venezuelan refugees to other countries in the region and options for the country's future. Tailored to multimedia platforms, the show includes an interactive segment designed to engage audiences in Venezuela and seek their input on future show topics and ideas.

IMPACT OBJECTIVE 6

Impact Performance Goal 6.2: Provide exceptional news and information

Uniqueness' Percentage of weekly audience reporting that broadcaster presents information they cannot get from other media						
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
	Simple average		Weighted average			
RFE/RL	32	25	22	25	25	26
RFA	NA	NA	NA	40	50	40
MBN	NA	NA	20	32	48	29
OCB	NA	NA	78	78	85	78

¹ Beginning with FY 2017, the scores for uniqueness are weighted averages, based on audience size, of all uniqueness scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

IMPACT INDICATORS:

Uniqueness

This indicator is determined by a question in representative surveys asking past week listeners/viewers/online users of any language how much of the information provided by the entity is also available from other sources on the radio, TV, or internet. The answers are registered on a four-point scale – All of it is available elsewhere, Some of it is available elsewhere, Very little of it is available elsewhere, None of it is available elsewhere. The unique information indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey who chose “very little” or “none.”

ANALYSIS OF RESULTS:

Uniqueness

RFE/RL	Target: 25	Actual: 26
RFE/RL’s uniqueness score of 26 percent slightly exceeded the target of 25 percent. RFE/RL continues to provide unique information to a significant proportion of its audience with one-quarter of weekly listeners, viewers, or online users reporting that “very little” or “none” of the information provided by RFE/RL is available elsewhere.		
RFA	Target: 50	Actual: 40
USAGM had no new data for RFA’s target markets in FY 2019 and, therefore, had no movement from its FY 2018 measurement. In FY 2018, RFA’s uniqueness score of 40 came from Burma only.		
MBN	Target: 48	Actual: 29
MBN’s uniqueness score is lower than targeted, primarily because of the lack of new data.		
OCB	Target: 85	Actual: 78
USAGM did not commission a survey in Cuba in FY 2019, so OCB’s uniqueness score remains unchanged in FY 2019.		

Impact Objective 7:

Engage local media and empower citizen information gathering and exchange

Local media affiliates are the primary means through which USAGM networks now reach their target audiences in most markets. However, the relationship with these media partners is about much more than just content delivery. By developing these media networks and connecting our affiliates to one another, USAGM fosters rich, open media ecosystems. USAGM leads by example in its journalistic practices, but it also increasingly partners with affiliates on content co-creation, sometimes even participating in daily editorial meetings. USAGM also provides training to indigenous media on topics ranging from journalism principles to business practices. In a similar way, USAGM works to connect audiences to one another, and to foster the free flow of information, often through a wide array of web, mobile, and social media tools. These tools have made media personal, moving the power from centralized broadcasters to a new class of bloggers, activists, videographers, and a content-generating public. They are using media not only to tell their stories on a digital world stage but also to connect with one another to chart the future of their communities and build new forms of civil society.

USAGM will:

- Deepen relationships with key local media affiliates, providing editorial guidance, training and technical assistance, and other resources to strengthen local, independent media sectors.
- Nurture citizen journalism and channel user-generated content from inside repressive states.
- Link citizens within repressive societies to one another and to external audiences through social media networks.
- Facilitate dialogue across religious, national and ethnic groups.
- Enter into a “global conversation” with USAGM audiences by using social media tools to identify, source, and distribute news content into the channels where people are having conversations about their community and the world.

Impact Performance Goal Overview

7.1

Increase engagement with local media outlets

Number of USAGM affiliates with national reach that air custom or interactive segments during primetime

68

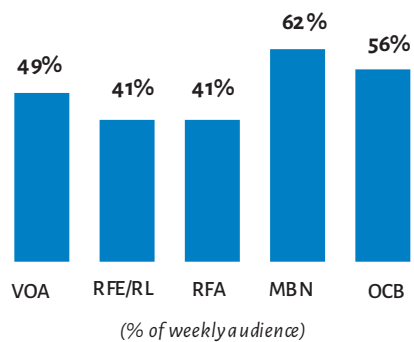
Number of weekly downloads from affiliate content distribution portal, Direct

2,815

7.2

Increase sharing of USAGM programming

Percentage of weekly audience who shared something heard/read/seen on broadcaster weekly



IMPACT OBJECTIVE 7

Impact Performance Goal 7.1: Increase engagement with local media outlets.

	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Number of USAGM affiliates with national reach that air custom or interactive segments during primetime	50	60	65	68
Number of weekly downloads from affiliate content distribution portal, Direct	1,650	2,750	3,000	2,815

Note: These were new measures in FY 2017. Actuals for FY 2015-2016 are not available.

IMPACT INDICATOR:

Custom/Interactive Segments and Weekly Downloads from Direct

The indicators for increasing engagement with local media outlets include: the number of USAGM affiliates (radio or TV) with national reach that air custom or interactive segments (also known as “bureau” reports, produced jointly with the USAGM networks) during primetime and the average number of weekly downloads (audio, video, text, or photos) from Direct, the affiliate content distribution portal.

ANALYSIS OF RESULTS:

National affiliates airing custom segments

during primetime

Target: 65

Actual: 68

With 68 national affiliates airing custom segments during primetime, USAGM exceeded its target for FY 2019.

Weekly downloads

from Direct

Target: 3,000

Actual: 2,815

With 2,815 weekly downloads from the Direct affiliate portal, USAGM increased from FY 2018, but did not meet its target for FY 2019.

A CLOSER LOOK :

Substantive engagement with key local media affiliates

Through its Office of Business Development, USAGM worked to strengthen its partnerships with local media providers in FY 2019. Key accomplishments this year include placement of VOA's new African women's show "Our Voices" on two dozen affiliates, a record for placement of new programming, and continued success in placing Current Time, with the full channel now available on 103 distributors in 21 countries and over 50 additional affiliates airing at least one Current Time program.

The Office of Business Development facilitated training over 1,000 media professionals during FY 2019, focusing on building capacity and goodwill with these affiliate partners. Subjects included media literacy, sales and marketing, investigative reporting, digital tools, polio, crisis communication, and fact-checking. The training included sessions in dynamic and challenging environments, including Uzbekistan, for the first time in about 30 years; Burundi, where VOA's FM transmitter was shut down; Venezuela where journalists are under siege by the Maduro regime; and Ethiopia, where press freedom is gradually taking hold.

IMPACT OBJECTIVE 7

Impact Performance Goal 7.2: Increase sharing of USAGM programming

Sharing ¹ - Percentage of weekly audience who shared something heard/read/seen on broadcaster weekly	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
	Simple average		Weighted average			
VOA	52	55	45	46	45	49
RFE/RL	54	44	48	44	48	41
RFA	56	64	49	41	42	41
MBN	NA	52	67	67	67	62
OCB	NA	NA	56	56	70	56

¹Beginning with FY 2017, the scores for sharing are weighted averages, based on audience size, of all sharing scores obtained by an entity. In previous years, these scores were simple averages of the scores by country. Scores from FY 2016 and prior years are not comparable to the FY 2017 and subsequent scores. The FY 2017 weighted averages were first reported in the performance section of the FY 2019 Congressional Budget Justification.

IMPACT INDICATOR:

Sharing of programming

This indicator is determined by a question in representative surveys asking weekly listeners/viewers/online users in any language how often they share news that they have heard, seen, or read from a USAGM network with friends or relatives, or with their social network. The answers are registered on a five-point range – Daily or most days per week, At least once a week, At least once a month, Less than once a month, Never. The sharing indicator is a weighted average, by audience size, of the percentage of those answering the question in the survey who chose “Daily or most days per week” or “At least once a week.”

ANALYSIS OF RESULTS:

VOA	Target: 45	Actual: 49
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VOA surpassed its FY 2019 target and its FY 2018 score for weekly sharing of its news by users, with nearly half of all its users (49 percent) reporting they share something they have seen or heard from VOA with their personal network. More and more VOA audiences around the world are consuming VOA on social media platforms, which clearly enhances the ability for them to share content.

RFE/RL	Target: 48	Actual: 41
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RFE/RL's score for sharing of programming was 41 percent in FY 2019, not meeting its target of 48 percent.

RFA	Target: 42	Actual: 41
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USAGM had no new data for RFA's target markets in FY 2019 and, therefore, had no movement from its FY 2018 measurement. RFA's score for sharing of programming was 41 percent in FY 2018.

MBN	Target: 67	Actual: 62
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MBN's score for sharing of programming was below target but is not surprising. Qualitative research in the Arab world indicates audiences in the region are reluctant to share information via digital media in part because of increased government controls and penalties for sharing what governments consider politically sensitive information.

OCB	Target: 70	Actual: 56
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USAGM did not commission a survey in Cuba in FY 2019, so OCB's sharing score remains unchanged in FY 2019.

A CLOSER LOOK :

Citizen journalism and user-generated content

USAGM networks use citizen journalism and user-generated content to gather and present information from repressive environments and present the diverse perspectives of their audiences.

VOA and RFA teams covering the ongoing protests in Hong Kong continue to both film demonstrations on the ground each day and gather protester-generated video that, after verifying, has been used in news broadcasts. Similar videos from rallies around the world have been incorporated into the networks' Hong Kong coverage, showing confrontations between Beijing's supporters and pro-democracy protesters.

The RFA Tibetan and Uyghur Services make use of citizen-generated content to supplement their reporting for areas where media access is heavily restricted. The Tibetan Service has used user-generated photos depicting the demolition of the Yachen Gar Buddhist center, as well as video of birthday celebrations for a major Tibetan Buddhist leader while the Uyghur Service reported about a Uyghur woman living in the U.S. who was able to recognize her mother from a video taken by a tourist in Xinjiang. The Uyghur Service also used on-the-ground networks to identify individuals missing in Xinjiang.

RFE/RL's Radio Farda posted a user-generated video clip on Instagram revealing a long military caravan transporting various parts of a missile system on a coastal road along the Persian Gulf in Iran. In less than 24 hours, the video was viewed more than 600,000 times and received hundreds of comments; it has been viewed over 2.6 million times on Instagram alone.

VOA French to Africa designed a video rubric to give African voters a chance to voice their opinions and concerns in their own words. Balancing gender, region, and socio-economic status, a cross-section of the electorate was presented in five-minute, self-narrated voter profiles for broadcast on television and for streaming online ahead of elections in the Democratic Republic of Congo, in Senegal, and in Nigeria. This format has proven successful and has been adopted for other coverage, including presenting the stories of survivors of the Rwandan genocide ahead of ceremonies marking the 25th anniversary of that violence and survivors of the Tiananmen Square massacre ahead of the 30th anniversary.

USAGM-facilitated dialogue across religious, national and ethnic groups

RFE/RL presented *Not in Our Name*, the first regional counter-extremism project of its kind in Central Asia. The documentary project followed the journey of those who left their homes in Central Asia for the conflict zones of Iraq and Syria. At the heart of the project were ten “town hall” sessions, or moderated discussion groups, conducted in local languages in Kazakhstan, Kyrgyzstan, and Tajikistan. The *Not in Our Name* project was critically recognized by a number of external organizations and was screened alongside open discussions with audiences in Washington, Boston, New York, Pittsburgh, and London.

VOA Hausa organized an interfaith town hall in Abuja about divisions between Shia and Sunni Nigerians. Moderated by Managing Editor Aliyu Mustapha, the panel included women leaders, Christian pastors, and police representatives discussing restrictions on public gatherings and efforts to dispel religious misinformation. VOA and Norfolk State University held an international town hall marking the 400th anniversary of the arrival of the first slaves in America. VOA also produced *Africa to America – The Odyssey of Slavery*, a uniquely VOA-told story with reporters in both Angola and the U.S. retracing the paths of the slave trade.

One of the hallmarks of MBN’s *Raise Your Voice* initiative is the ability to solicit discussion from across the country and the region without limiting it to any one political, religious or national belief or outlook. Through call-in shows and community engagement on the websites, audiences interact with each other, sharing their thoughts and ideas on a given topic. Additionally, *Raise Your Voice* reporting highlights plurality, such as Muslims in Mosul working with the Christian counterparts to rebuilt a church destroyed by ISIS and a pen pal program between Iraqi students and students in America, which highlighted the commonalities between the children.

PERFORMANCE OVERVIEW

Mission:

To inform, engage and connect people around the world in support of freedom and democracy

Strategic Goals:

Expand freedom of information and expression

Communicate America's democratic experience and values

Objectives:

Impact Objectives
(see page 32)

Agility Objectives

USAGM's Strategic Goals are supported by Impact Objectives, which focus on performance on the mission, and Agility Objectives, which focus on the management of the agency.

Each objective is broken down into measurable performance goals. USAGM sets targets for these goals annually. Following is the five-year historical data for each performance goal, an explanation of the indicator and how it is measured, and a detailed analysis of the results.

AGILITY OBJECTIVES:

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Agility Objective 1:

Run USAGM as a nimble, resilient, cost-effective, and state-of-the-art media enterprise

By virtue of historical circumstance, today's USAGM is a complex amalgam of diverse media outlets and respective support organizations, operating under different legal and administrative frameworks. The result is an organization that has sometimes lacked the agility to operate in a rapidly evolving global media environment and the standardization that enables rational resource allocations. However, in recent years, the Agency has begun a fundamental transformation in order to appropriately fulfill its charter and meet the challenges of growing geopolitical instability and substantial budgetary constraints.

USAGM will:

- Pursue an efficient and effective organizational structure.
- Enhance the Agency's technological platforms and workflows, enabling it to continually adapt to global standards in content acquisition, manipulation, and distribution, as well as audience consumption behaviors.
- Automate and streamline business processes and workflows.
- Employ cloud-based technology to achieve nimbleness, resilience, and cost savings.
- Protect USAGM from persistent threats from state and non-state actors through enhancements to its cybersecurity posture.

AGILITY OBJECTIVE 1

Agility Performance Goal 1.1: Streamline program delivery

Transition to internet and fiber optic content distribution to stations and uplinks, migrating away from more costly satellite distribution	
FY 2015 Actual	80% of USAGM owned/operated uplink facilities have MPLS connectivity. 100% of satellite based circuits used for Agency data (non-broadcast content) moved from satellite to terrestrial circuits. 15% of satellite-based distribution feeds have been transferred to terrestrial circuits.
FY 2016 Actual	USAGM owned/operated uplink facilities have MPLS or internet connectivity for content distribution. 40% of satellite-based distribution feeds (including OCB, VOA Persian, and VOA China TV) have been transferred to terrestrial circuits.
FY 2017 Actual	50% of satellite-based distribution feeds transferred to terrestrial circuits.
FY 2018 Actual	USAGM is in the process of transferring feeds and expects 75% of satellite based distribution feeds transferred to terrestrial circuits by Q3 FY 2019. 50% of MPLS network transferred from Hub and Spoke to any-to-any mesh network. 40% of contribution feeds are now leveraging public internet for Primary or Back-up.
FY 2019 Target	100% of satellite based distribution feeds convert to terrestrial circuits. 75% of all contribution feeds moved off satellite for either primary or secondary connections. If secondary, costly satellite backup is eliminated.
FY 2019 Actual	100% of satellite-based distribution feeds converted to terrestrial circuits. 75% of contribution feeds moved off satellite for either primary or secondary connections; costly satellite backups eliminated where possible.

Optimize remaining shortwave distribution, taking advantage of the strategic location and lower operating cost of Kuwait Transmitting Station	
FY 2015 Actual	NA
FY 2016 Actual	NA
FY 2017 Actual	Closed Sri Lanka Transmitting Station
FY 2018 Actual	Poro Transmitting Station closed. Installation of new antenna at Kuwait Transmitting Station underway, expected to be complete in Q2 FY 2019.
FY 2019 Target	<p>Final handover of Poro Transmitting Station.</p> <p>Complete installation of new antenna at Kuwait Transmitting Station.</p> <p>Continue to invest in the expansion of the Kuwait Transmitting Station, utilizing whatever resources may be available, in order to realize longer-term savings.</p> <p>Restore CNMI Transmitting Station with whatever resources may be available.</p> <p>Review all transmission leases to identify further opportunities for savings.</p>
FY 2019 Actual	<p>Poro Transmitting Station handed over in September 2019.</p> <p>The installation of the new SW antenna at Kuwait Transmitting Station has been delayed due to \ contracting and logistical issues. It is now expected in Q3 FY 2020.</p> <p>Restored 4 (of 15) antennas on CNMI Transmitting Station to service.</p>

Expand FM transmissions, to match audience preferences	
FY 2015 Actual	NA
FY 2016 Actual	5 FMs installed: 1 in Niger, 4 in Dem. Rep. of Congo (DRC)
FY 2017 Actual	All 5 FMs in progress; contract actions completed, installations will fall into FY 2018
FY 2018 Actual	New FMs installed in Brazzaville and Pointe Noire, Rep. of Congo; Mbuji-Mayi and Katanga, DRC Mogadishu FM is underway, expected on air in Q1 FY 2019
FY 2019 Target	Install FM transmitters in key cities: Mogadishu, Somalia; Lome, Togo; potential FMs in Kampala, Uganda; Mombasa, Kenya, and Lusaka, Zambia currently being pursued; Maputo, Mozambique Harare, Zimbabwe under consideration
FY 2019 Actual	FMs successfully installed in Mogadishu, Somalia; Lomé, Togo; and Mombasa, Kenya.

ANALYSIS OF RESULTS:

USAGM made progress in its goal of streamlining program delivery with most targets met and one anticipated to be met in FY 2020.

A CLOSER LOOK :

Ability to nimbly react to a rapidly changing environment

USAGM has adapted its distribution methods to match changing audience preferences. In FY 2019, the Agency built the infrastructure to provide audiences with streaming video-on-demand programming in 13 languages on 13 different platforms. This capability allows USAGM audiences who missed programs or who live outside of areas served by broadcast affiliates to watch programs on devices such as Roku, Apple TV, Amazon Fire TV, and various internet-connected TVs. OCB content launched this year and RFA and MBN will be launching in early FY 2020.

USAGM also places content on key regional direct-to-home satellites within “bouquets” of popular programming channels (bouquets are channels packaged together to appeal to particular audiences and markets). This strategy allows the targeting of new, in-country HD reception capability within mature satellite delivery platforms. It also supports affiliate-network distribution. In FY 2019, TSI identified satellite services to continue providing satellite TV and radio service to China, including Tibet, after previous satellite services were discontinued. The alternative services allow USAGM networks to leverage the widespread use of satellite receiver dishes across the country in both C- and Ku-band and provide accessible programming where our access to local cable, satellite channel bouquets, and internet is restricted. USAGM simultaneously distributed HD and SD TV programming and capitalized on the migration of Chinese audiences to HDTV, while not stranding legacy SD viewers. In FY 2019, TSI and VOA completed all upgrade initiatives from SD to HD television in the Washington, DC broadcast facility.

AGILITY OBJECTIVE 1

Agility Performance Goal 1.2: Automate and streamline key business processes

Complete business process reengineering and automation of business and media workflows	
FY 2015 Actual	Automated Time and Attendance System in testing phase. Pilot to roll-out in Q1 FY 2016; Integration of HR and Payroll delayed due to planning and funding issues; 80% of Procure to Pay analysis completed.
FY 2016 Actual	Automated Time and Attendance System rolled out to 85% of federal entities, with a projected completion in Q1 FY 2017. Automated Time and Attendance system now being incorporated into existing payroll (DFAS) system. Procure to Pay has been put on hold, pending funding.
FY 2017 Actual	Completed integration of payroll and time and attendance systems. Completed rollout of electronic performance management system. Deployed electronic invoice payment system for domestic invoices; foreign invoices to be added in FY 2018.
FY 2018 Actual	Consolidation of support team efforts, including IT help desk, building facilities, Network Control Center, and telecoms, into integrated Solutions Center (now named TSI Help Center) has begun. Expected completion in Q1 FY 2019.
FY 2019 Target	Complete consolidation of support efforts into TSI Help Center. Participate in Agency effort to identify a new HR management system. The current system, provided through a partnership with the Department of Defense, is being discontinued in 2019. Roll out unified communications capability to 67% of Agency users.
FY 2019 Actual	<p>Majority of Help Center services consolidated. Full rollout not achieved due to new requirement to support VOA technology suite.</p> <p>Continued to participate in effort to identify a new HR management system.</p> <p>Agency transitioned to Teams unified communications tools across 100% of agency desktops and mobile devices. Telephony integrated with Teams rolled out for 20% of workforce.</p>

ANALYSIS OF RESULTS:

USAGM made progress in business process improvements and anticipates the full consolidation of the Help Center in FY 2020.

AGILITY OBJECTIVE 1

Agility Performance Goal 1.3: Leverage cloud services and other technologies to boost workforce effectiveness and efficiency

Migrate onsite systems to cloud for enhanced effectiveness and efficiency.	
FY 2017 Actual	Transitioned onsite digital archive system to a private cloud with recovery capability. Completed migration of intranet content to cloud-based platform. Upgraded IT infrastructure with more storage, bandwidth, and security.
FY 2018 Actual	Migration of onsite workstation/user storage to cloud for enhanced portability and a more robust backup/disaster recovery profile nearly complete (80%). Full completion expected in Q2 FY 2019. Transition of some broadcast operations to cloud-based playout and switching systems has not yet begun.
FY 2019 Target	Complete migration of onsite workstation/user storage to cloud for enhanced portability and a more robust backup/disaster recovery profile. Continue transition of radio broadcast operations to cloud-based playout and switching systems. Begin implementing off-site, carrier neutral Data Center. Implement high availability and high capacity metro fiber ring between USAGM headquarters and Data Center. Relocate WAN and all connections to new Data Center. Increase capacity to the Internet tenfold and implement high-speed cloud connections. Mature and expand support for business analytics suite that drives USAGM increased utilization of data-driven strategy and decision-making.
FY 2019 Actual	Completed migration of onsite workstation/user storage to cloud for enhanced portability and a more robust backup/disaster recovery profile. Continued transition of radio broadcast operations to cloud-based playout and switching systems. Implementation of off-site, carrier neutral Data Center approximately 50% complete. Implemented high availability and high capacity metro fiber ring between USAGM headquarters and Data Center. Relocated WAN and all connections to new Data Center. Increased capacity to the internet tenfold and implemented high-speed cloud connections. Matured and expanded support for business analytics suite that drives USAGM increased utilization of data-driven strategy and decision-making.

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2015-2016.

ANALYSIS OF RESULTS:

USAGM is on track for cloud migration and met all of the targets set for FY 2019.

AGILITY OBJECTIVE 1

Agility Performance Goal 1.4: Strengthen resilience and risk posture of the agency

Strengthen USAGM'S cybersecurity posture	
FY 2017 Actual	USAGM implemented cybersecurity measures that extend high-level DHS cybersecurity protection to Agency-specific gaps, such as email, the network, and end points.
FY 2018 Actual	Made progress toward defined level of maturity of IT Information Security Program. Piloted DHS CDM (Department of Homeland Security Continuous Diagnostics and Mitigation) tools to enhance the Agency's ability to identify and mitigate the impact of cyber threats. Full rollout expected in Q1 FY 2019
FY 2019 Target	Continue to develop IT Information Security Program policies and strategies. Start to implement Multi-Factor Authentication for all users. Enhance controls for system access; enhancing cloud system identity management; and enhancing protection of sensitive data and addressing privacy concerns.
FY 2019 Actual	Completed, received approval for, and published several dozen information security and privacy strategies, policies, and procedures. Completed first phase of multifactor authentication (MFA), as well as deployment of DHS monitoring tools and dashboard.

Use Enterprise Risk Management ¹ to manage risks and optimize costs related to the achievement of USAGM objectives	
FY 2017 Actual	USAGM created an IT risk management division within the Office of the CIO.
FY 2018 Actual	USAGM created an Agency-level ERM framework, governance structure, and risk identification process.
FY 2019 Target	Identify, assess and analyze enterprise risks and develop a profile that reflects significant risks to achievement of agency mission.”
FY 2019 Actual	Identified, assessed and analyzed enterprise risks and developed the Agency’s FY 2019 ERM Risk Profile that reflects significant risks to the achievement of USAGM’s mission. The risk owners developed and implemented appropriate risk responses and corresponding efforts and performance measures to the profile risks. Drafted, documented, and received approval for Agency-wide Information Security Risk Management (ISRM) Strategy and Framework in accordance with FISMA and NIST guidelines.

¹Enterprise Risk Management (ERM) provides a framework which typically involves identifying particular events or circumstances relevant to the organization’s objectives (risks and opportunities), assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2015-2016.

ANALYSIS OF RESULTS:

USAGM achieved its targets in the defined level of maturity of its IT Information Security Program, as determined by the OIG, in FY 2019.

During FY 2019, USAGM further implemented its Enterprise Risk Management (ERM) program by developing a Risk Profile, identifying risk owners, and implementing risk responses.

A CLOSER LOOK :

Resilience in the face of cyber threats

USAGM continues to bolster its IT security posture in order to protect USAGM from persistent threats from a variety of nation-state actors seeking to attack government institutions, like the Voice of America, and to comply with existing IT security directives and laws. In FY 2019 USAGM's Office of Technology, Services, and Innovation (TSI) leveraged offerings from the Department of Homeland Security (DHS) and key vendors to further bolster USAGM's IT security defenses.

In FY 2019, TSI matured USAGM's Information Security Program through the development of key IT security policies and a complete set of documentation templates, and made significant progress in updating its security documentation. TSI also completed security assessments and continues to develop a comprehensive Information Security Architecture.

AGILITY OBJECTIVE 1

Agility Performance Goal 1.5: Migrate to High Definition (HD) video production and transmission

Upgrade program production and delivery systems to HD capable	
FY 2017 Actual	<p>All TV studios fully HD capable.</p> <p>Automated HD TV channel set up for testing.</p>
FY 2018 Actual	<p>Both the satellite and terrestrial networks have been modified to incorporate HD delivery capability.</p> <p>Preparations completed to enable upgrade of Digital Asset Management System to make HD production and archiving more efficient.</p> <p>Onsite storage capacity to accommodate HD files expanded and upgraded.</p> <p>Global delivery of HD content direct-to-home and to affiliates enabled.</p>
FY 2019 Target	<p>Complete upgrade of Media Asset Management System to make news orchestration, HD production and archiving more efficient.</p> <p>Begin working with USAGM broadcast networks to identify more IT services and systems that can be shared and unified in order to gain efficiencies and cost savings.</p> <p>Continue to evolve global network and agency IT environment utilizing the most cost-effective mix of onsite technology infrastructure with cloud-based and other services to maximize compatibility, sustainability, security, serviceability, reliability, and global accessibility of IT systems.</p>
FY 2019 Actual	<p>Completed all IT infrastructure and preparatory training required to transition to upgraded Media Asset Management system, Galaxy.</p> <p>Through the USAGM CIO Office, the CIO Council, and the Digital Governance Council directed by the Agency's Chief Technology Officer, began working with broadcast networks to identify more IT services and systems that can be shared and unified in order to gain efficiencies and cost savings.</p> <p>Continued to evolve global network and agency IT environment utilizing the most cost-effective mix of onsite technology infrastructure with cloud-based and other services to maximize compatibility, sustainability, security, serviceability, reliability, and global accessibility of IT systems.</p>

% of video streams transmitted in HD ¹	
FY 2017 Actual	20%
FY 2018 Actual	50%
FY 2019 Target	100%
FY 2019 Actual	100%

¹ USAGM anticipates that the SD to HD transition for most target audiences will take several more years. Each HD stream will have a corresponding SD stream until that time.

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2015-2016.

ANALYSIS OF RESULTS:

USAGM continued to upgrade its program production and delivery systems and has achieved 100 percent of video streams transmitted in HD.

Agility Objective 2:

Enhance strategic cooperation among USAGM networks and with support elements

USAGM is one of the world's largest news-gathering and reporting enterprises with more than 50 overseas news bureaus, 3,500 employees, and 1,500 stringer reporters. Each of the Agency's five networks generates original reporting every day from in and around the world's hotspots – the Sahel and Central Africa, the Afghanistan-Pakistan border region, Burma, China, Egypt, Iran, North Korea, Russia, Syria, Yemen, et al – primarily in vernacular languages for target audiences in these areas. Too little of this rich content is translated and shared across USAGM to augment international news coverage for other USAGM vernacular services or made available to other global audiences in English. USAGM is remedying this by facilitating coordination among broadcast entities and support elements through the International Coordinating Committee (ICC), comprised of the heads of each of our five networks, and reinforcing their unique and respective mission-driven legislated roles in areas served by multiple broadcasters. USAGM will also continue to collaborate with other U.S. government entities on areas of mutual concern.

USAGM will:

- Ensure coordinated and complementary mission-driven operations and content in markets served by two USAGM media entities.
- Build and sustain internal content-sharing mechanisms, aligning internal editorial support and coordination, as needed.
- Employ new bridge editors and other content-sharing mechanisms to channel original reporting from the language services to the central newsrooms and across USAGM to get maximum mileage out of the content the Agency currently produces.
- Better leverage news gathering, including stringer and correspondent networks or rotating correspondents, across USAGM to ensure required editorial coordination and avoid redundancy.

- Align all support functions to USAGM priorities, strategies, and goals.
- Participate in inter-agency meetings, committees, and strategies in support of U.S. government priorities to ensure that USAGM capabilities, expertise, actions, and impact are fully and accurately shared with other government entities.

AGILITY OBJECTIVE 2

Agility Performance Goal 2.1: Increase opportunities for sharing content across USAGM language services and networks

	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Establish and employ systems for sharing content across language services and networks, including bridge editors and rotating correspondents	Established editorial coordinating committee	Launched a joint reporting project on China, <i>The Dragon's Reach</i> , involving all five networks	Launch VOA-RFE/RL joint news network for Iran	VOA and RFE/RL launched 24/7 Persian-language news channel.

Note:

This was a new measure in FY 2017. Actuals from FY 2015-2016 are not available.

ANALYSIS OF RESULTS:

In March 2019, USAGM launched VOA 365, a new 24/7 Persian-language channel led by VOA, in collaboration with RFE/RL. The new channel aims to inform and engage Iranian audiences and the Persian-speaking diaspora around the world.

A CLOSER LOOK:

Original reporting shared across language services and networks

In FY 2019, USAGM networks produced several enterprise journalism projects with content shared across networks and language services. All five USAGM networks cooperated on a new USAGM webpage, *The Fight for Press Freedom*, which highlights coverage of journalists, news media, and the global environment for press freedom as reported by USAGM networks.



VOA examined early marriage in 12 countries through their global project, “*The Worth of a Girl*.”

VOA launched a global project, entitled *The Worth of a Girl*, that looked at early marriage’s impact on girls and their families. VOA reporters around the world focused on how a young bride is valued by two families: the one she leaves behind and the one she joins, as well as the cost to the girl herself of marrying before age 18. VOA news teams – representing 12 language services across Africa, Europe, Central Asia, Latin America, South Asia, Southeast Asia and even the U.S. – posted short videos of girls and women describing their experiences as brides and young mothers, giving them a platform to tell their stories in their own words.

All of the networks routinely share content with one another and across services. Items of particular interest this year include: the Hanoi Summit between U.S. President Donald Trump and North Korean leader Kim Jong Un, protests in Hong Kong, detention of ethnic Uyghurs, and original, investigative reporting.

AGILITY OBJECTIVE 2

Agility Performance Goal 2.2: Enhance working-level coordination among networks and with support offices

	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Building on ICC success, establish cross-agency working groups to leverage resources and expertise across networks and support offices	Editorial coordinating committee established	CIO Council and Digital Governance Council established; CTO appointed	Establish working group on acquired programming Establish data taxonomy standards through Digital Governance Council	Acquired programming working group established. Data taxonomy standards established through Digital Governance Council.

Note:

This was a new measure in FY 2017. Actuals from FY 2015-2016 are not available.

ANALYSIS OF RESULTS:

In FY 2019, USAGM established an acquired programming working group, which began inventorying program acquisitions across the five networks. In FY 2020, the group will continue its work to coordinate and leverage acquired programming across all USAGM networks.

In FY 2019, the Digital Governance Council defined two data standards for the agency. It defined a metadata standard for use across USAGM, based on the European Broadcast Union (EBU) standards. This standard will be implemented in new systems and act as a method of exchange and normalization of data between systems. The Council also created and defined a data specification for digital analytics gathering on agency owned and branded platforms, resulting in normalized data and implementation expectations.

A CLOSER LOOK:

Coordination and planning among networks and with support offices

USAGM's Chief Information Officer (CIO) Council, run by TSI, has been planning a multi-year IT modernization and transformation initiative to kick off in FY 2020. The initiative will consolidate and upgrade all critical IT infrastructure, including the standardization of IT platforms and data centers, streamlining of network operations centers and help desks, and the enhancement of both enterprise networks and content distribution platforms. This initiative will facilitate the seamless collaboration between USAGM's five networks by supporting the development of new capabilities to promote content sharing and co-creation.

USAGM's Digital Governance Council continued to coordinate digital strategy, tools, and products throughout FY 2019. Specifically, it defined an upgrade plan and created a requirements document for USAGM's business-to-business Direct platform, based on feedback from all the networks, affiliate stations, and the Office of Business Development.

AGILITY OBJECTIVE 2

Agility Performance Goal 2.3: Ensure complementary coverage in markets served by more than one USAGM network

	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Conduct periodic content analysis of services that serve the same market	Conducted content analysis of VOA and RFE/RL coverage in Iran	Conducted content analysis of VOA and RFA coverage in Burma	Conduct content analyses of OCB and VOA coverage in Spanish-language markets	Conducted external content review of OCB programming in Spanish.

Note:

This was a new measure in FY 2017. Actuals from FY 2015-2016 are not available.

ANALYSIS OF RESULTS:

In FY 2019, USAGM convened a panel of independent experts to examine an extensive sample of OCB content to identify and address any patterns of unethical, unprofessional, biased, or sub-standard journalism. The panelists' comprehensive review, using VOA Spanish programming as a best practices comparison in many cases, highlighted some urgent needs at OCB – particularly in shoring up journalistic principles and practices. As a result of the panel review, USAGM launched aggressive modernization efforts at the Office of Cuba Broadcasting, which continue into FY 2020.

Agility Objective 3:

Enable greater impact and accountability through rigorous assessment and evaluation

USAGM's mission is more than reaching audiences. The Agency utilizes a comprehensive Impact Model to capture effects of USAGM programming on audience members, the local media sector, and foreign governments. The Impact Model comprises a set of indicators tied to the Agency mission, including: uniqueness of information, opinions on content trustworthiness, likelihood of content sharing and use, changes in understanding of current events, improvements in journalistic practices, and attention from public officials. In addition to continuous data collection, successful deployment of the Impact Model includes providing results to decision-makers and content providers throughout the Agency and its networks.

Even as it holds networks accountable for advancing the USAGM Mission, the Agency simultaneously implements rigorous employee oversight. USAGM has renewed its focus on federal personnel appraisals and is currently undertaking several initiatives that will strengthen this important accountability tool.

USAGM will:

- Continue to implement and refine the USAGM Impact Model with incremental improvements.
- Offer briefings to U.S. government groups, other international broadcasters, and other interested organizations to share lessons learned from the path-breaking Impact Model.
- Feed impact data into planning and decision-making at all levels of the Agency.
- Within the federal workforce, shift to a five-tier personnel performance appraisal system, tied to performance awards, and hold managers accountable for completing performance appraisals.

AGILITY OBJECTIVE 3

Agility Performance Goal 3.1: Strengthen research and evaluation program

	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Number of USAGM target countries with full USAGM media surveys conducted in the current or prior fiscal year	33	18	22	15
Percentage of surveys used to report performance data that were conducted in the current or prior fiscal year	71%	19%	25%	26%

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2015-2016.

ANALYSIS OF RESULTS:

For Agility Performance Goal 3.1, USAGM achieved one of two indicator target levels. USAGM is currently reexamining the range of research methods that it employs and will likely adjust balance of surveys with other data sources, including commercial ratings and digital analytics, in coming years.

A CLOSER LOOK:

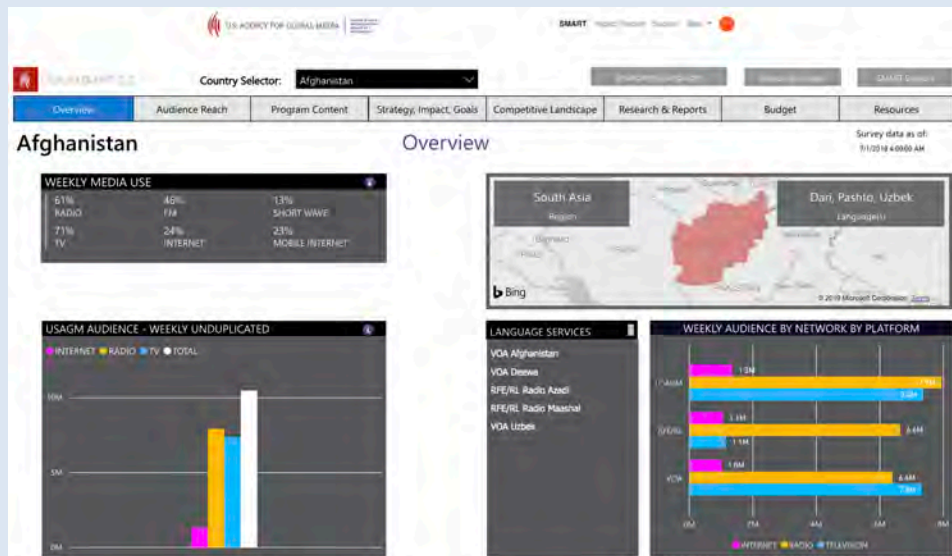
Organizational learning through the use of research and evaluation

DATA-DRIVEN LANGUAGE ADDITIONS USAGM has launched a number of cross-functional project teams to dig into specific programming and distribution questions. These teams come together for a limited time span and gather data from a variety of sources – the agency’s own research and analytics, external resources, expert interviews – and propose a concrete course of action. One team examined opportunities for the newly launched Bulgarian and Romanian to Romania services. Another one looked into whether political and press freedom conditions warranted the launch of a new Hungarian Service. The team recommended the addition of a digital service in Hungarian and USAGM has now received approval for restarting RFE/RL Hungarian, which will be launching in FY 2020.

TARGETING PROGRAMMING TO AUDIENCE PREFERENCES Research also plays a key role in shaping programming for existing services. For example, research and data visualizations highlighted some programming opportunities for VOA’s Africa Division. As a result, the division launched new health programming across several language services and prioritized TV as a platform for reaching women.

COMMON STANDARDS FOR PROGRAM REVIEW ACROSS NETWORKS In FY 2019, USAGM reinforced its program review process by developing and disseminating common standards across all of its networks. Program reviews are evaluations of the quality of a selection of programming of each language service based upon both internal and external feedback. The review aims to provide network leadership and USAGM an independent evaluation of the work of each language service and identify areas where further attention is needed in order to achieve the service’s goals.

Pilot projects to bring research data and evaluation products to senior leaders and other key decision makers



USAGM's SMART portal presents information about each of its language services in a convenient, interactive format.

In FY 2019, USAGM relaunched its Strategic Management Audience Research Tool (SMART), making it available for the first time to interested parties in the interagency. The SMART tool is designed as a one-stop source of USAGM information showcasing business intelligence, research, strategy, and development needs of all five networks. The tool is now hosted on the agency's data lake platform (data.usagm.gov) and accessible to agency, network, and interagency personnel with login.gov credentials.

AGILITY OBJECTIVE 3

Agility Performance Goal 3.2: Improve personnel evaluation processes

	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Strengthen personnel evaluation processes and compliance in the federal workforce	<p>Transitioned to 5-tier electronic personnel system, 40% of employees have personnel evaluations completed</p> <p>Provided managers with training on performance management</p>	<p>77% of managers trained in performance management. Additional training for remaining managers scheduled for Q1 FY 2019</p> <p>76% of employees had personnel evaluations completed</p>	<p>Continuous refresher on performance management mandated in development plans for managers and supervisors</p> <p>100% of all employees have personnel evaluations completed on-time</p>	82% of all eligible employees had personnel evaluations completed on-time.
Implement 360 feedback tools for managers in the federal workforce (reviews to be scheduled every three years)	Curriculum finalized	<p>90% of managers and supervisors reviewed</p> <p>50% of managers and supervisors with development plans in place</p>	<p>90% of managers and supervisors reviewed</p> <p>80% of managers and supervisors with development plans in place</p>	USAGM has discontinued use of 360 reviews for managers.

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2015-2016.

ANALYSIS OF RESULTS:

USAGM made gains in improving personnel management in FY 2019, with an increase from 76 percent to 82 percent of employees with performance appraisals completed. USAGM has decided to discontinue use of 360 reviews of managers, focusing instead on traditional performance appraisals.

AGILITY OBJECTIVE 3

Agility Performance Goal 3.3: Improve performance culture of the Agency

Results-oriented performance culture index (from Federal Employee Viewpoint Survey)	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
USAGM	47	47	48	51	53	51
Government-wide (for comparison)	52	53	54	56	NA	57

INDICATOR:

Results-oriented Performance Culture Index

This indicator is an index derived from the Federal Employee Viewpoint Survey and combines questions dealing with recognition, supervision, safety, work connection, and performance.

ANALYSIS OF RESULTS:

Results-oriented Performance Culture Index	Target: 53	Actual: 51
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Despite an increased focus on performance assessments, USAGM's score for the results-oriented performance culture index stayed flat in FY 2019 and did not meet the target of 53.

Agility Objective 4:

Foster employee engagement, development, and productivity

USAGM's diverse, multi-cultural, and multi-talented workforce offers a rich range of experience and expertise to carry out the Agency's mission. Key to success in a rapidly changing, highly competitive global media environment is flexibility to develop innovative products for the Agency's target countries consistent with emerging priorities, programming formats, and advances in technology.

Enhanced skill sets are required to program for and transmit via multiple media platforms – radio, TV, internet, mobile, and through social media. USAGM employees are most effective when they are well motivated, trained, and led.

Continued efforts to equip and energize the entire USAGM workforce are critical as the Agency confronts mounting competitive pressures worldwide.

USAGM will:

- Promote human capital planning and management as a top priority for senior executives, managers, and supervisors throughout the Agency.
- Consistently communicate organizational goals, objectives, priorities, and performance expectations in a timely manner to staff at all levels in the Agency.
- Ensure a safe and secure work environment for all employees.
- Implement manager training curriculum focusing on performance management, human capital planning and processes, communication, and financial and administrative management.
- Improve the consistency and credibility of Agency performance management processes.
- Develop cross-training and internal development standards and procedures, as applicable.
- Foster employee participation in Agency health and wellness programs.

AGILITY OBJECTIVE 4

Agility Performance Goal 4.1: Strengthen internal communications

	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
Establish/enhance two-way communication channels for better lateral and vertical communication	Improved communication by establishing and promoting internal social media, town halls, suggestion boxes, and focus groups	Maintained communication over established channels and introduced an internal social media channel accessible to staff at all five networks	Strengthen communication and engagement by maximizing use of established communication channels and networking events	90% of USAGM network staff using agency-wide communication channels for networking and events.
Improve transparency and accountability using internal communication initiatives	Provided an intranet page, weekly internal newsletter, and regular senior leadership announcements to all staff	Increased visits to CEO intranet page with weekly CEO Flash Report. Hosted internal networking events to strengthen engagement and communication.	Continue to strengthen transparency and accountability by expanding and fortifying internal communication processes	3 out of 5 USAGM broadcast network senior managers use the channels to raise awareness and share agency news.

Note:

This was a new measure in FY 2017. Actuals are not available for FY 2015-2016.

Analysis of Results:

USAGM has seen significant growth in the adoption and use of the internal communications platform that was launched in FY 2018. As of the end of FY 2019, 90 percent of USAGM federal staff and contractors had activated their accounts on the platform and three out of five senior network managers were actively using the platform to communicate with their staffs.

AGILITY OBJECTIVE 4

Agility Performance Goal 4.2: Improve employee training and development.

Percentage of employees who believe that their work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals (from Federal Employee Viewpoint Survey)	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2019 Actual
USAGM	55	53	56	70	73	71
Government-wide (for comparison)	69	69	71	80	NA	81

Note: In FY 2018, the wording of this question changed from “The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals” to “My work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals.”

INDICATOR:

Workforce Knowledge and Skills

This indicator is taken from the Federal Employee Viewpoint Survey and measures the percentage of employees with positive responses to the statement that their work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals.

ANALYSIS OF RESULTS:

Workforce Knowledge and Skills

Target: 73

Actual: 71

In FY 2019, USAGM’s score for workforce knowledge and skills increased from the prior year, but did not meet the targeted level.

A CLOSER LOOK:

Employee training, development, and mentoring

USAGM's Office of Workplace Support and Development offered a wide range of learning opportunities, both in-person and online. These trainings included both mission-specific courses – such as “Writing and Story Telling for Journalists,” “Balanced and Bias Free Reporting,” and mandatory Firewall training for all employees – and general interest offerings on topics such as leadership, prevention of sexual harassment, and respect and civility.

USAGM has awarded a contract to an outside vendor to provide mentoring services and plans to relaunch the formal mentoring program in FY 2020.

Verification and Validation of Performance Measures

USAGM performance indicators are the product of a competitive, multi-million dollar research operation. Since fiscal year 2017, USAGM has relied on 17 of the international media research industry's most qualified vendors to implement data collection in its markets worldwide. In addition to reducing costs through competition, the multiple-vendor approach ensures that the agency and broadcast networks take advantage of the best technical and regional experts to conduct research in the world's most challenging and sensitive environments.

USAGM contractually obligates research vendors to exercise quality controls during fieldwork data collection, such as daily checks of interview audio recordings; time stamps on survey administration; and consistent training for survey field teams. After research vendors deliver data, USAGM contracts yet another third-party vendor to conduct rigorous data validation procedures, resulting in the elimination of duplicate or insufficient data. When assurance procedures are complete, the USAGM Office of Policy and Research calculates performance values, which are then sent to research directors for verification at the network level.

In terms of data limitations, the Agency's audience reach estimates are weighted using available figures published annually by the Population Reference Bureau (PRB). Because the PRB is released once each year, and USAGM conducts research on a rolling basis, there are a few cases where audience estimates are based on population figures from the previous year. Since population figures tend to make larger shifts over the longer term, the Agency has determined that smaller census differences from one year to the next are sufficient for audience estimates.

A larger data limitation is related to the decreasing number of recent omnibus and national surveys that comprise performance data. Since FY 2017 the portion of surveys conducted in the last two fiscal years has dropped from 71 to 26 percent. In other words, for FY 2019 three-fourths of performance indicators are based on data that is more than three years old, which likely results in less accurate audience numbers. To mitigate the risk in this approach the Agency has

acquired a new research service that will immediately double the number of omnibus surveys conducted in the next fiscal year.

In 2019, USAGM launched a new initiative to revise its standard national survey questions. This effort represents the first time any international broadcaster will forgo traditional questions about platform engagements and instead investigate audience engagement with brands regardless of platforms; this change is being made to better reflect the way people think about their individual media consumption today. Testing of the new questionnaire entails simultaneous, parallel administration of new and old survey questions, accompanied by exit interviews with respondents to understand their survey experience. Testing has occurred in Moldova and Cambodia and will continue in several other markets throughout FY 2020.

USAGM continues to explore alternative methods for measuring audience reach, such as integrating digital analytics and commercial ratings data.

Through its leadership in the Conference of International Broadcasting Audience Researchers (CIBAR) and other industry communities of practices, USAGM participates in setting and enforcing international media research standards, including transparency in data collection and continuous learning throughout research implementation.

Evidence Building

USAGM conducts a range of activities to build evidence and support organizational learning throughout the agency and its networks.

RESEARCH AND ANALYTICS

USAGM undertakes quantitative, qualitative, evaluative, digital, and ad hoc research projects every year to directly support decisions on programming and strategy. Since FY 2002, USAGM has used a consolidated contract to procure audience and market research for all USAGM broadcast services. The Agency maintains an extensive database of audience and market data that consolidates research results. The archive covers over 100 countries and contains socioeconomic and demographic data as well as strategically important information on local media, competition, and audience preferences and needs.

USAGM uses several enterprise digital analytics tools to track the performance of its content on web and social platforms. In FY 2019, USAGM launched a live video tracking tool to give real-time insights and standardized digital data metric collection.

The research and analytics data guides USAGM strategic planning at all levels, specifically on-air program development, program reviews, and the Agency's comprehensive annual strategic review of all language services.

LANGUAGE SERVICE REVIEW

The Annual Language Service Review (LSR) is a Board directed, comprehensive assessment of the languages in which USAGM networks broadcast. The process fulfills the Congressional mandate in the U.S. International Broadcasting Act of 1994 to “review, evaluate, and determine, at least annually, after consultation with the Secretary of State, the addition or deletion of language services.”

USAGM analyzes data in key areas that shape priorities, including press freedom, political freedom, civil liberties, economic freedom, instability, and human development indices from nongovernmental organizations (e.g., Freedom House, Reporters Without Borders, The Heritage Foundation and The Wall Street

Journal, and the United Nations Development Programme). These indicators are combined into a prioritization index, together with the State Department's global ranking of USAGM language services relative to U.S. foreign policy priorities. This process enables USAGM to evaluate changing conditions worldwide and adjust broadcast languages accordingly.

As part of the Language Service Review, USAGM considers how the Agency's mission is carried out by the networks in each target country and region. Informed by research and analysis on competitive landscapes, USAGM language services set priority goals for the coming year.

The results of this strategy review include summaries of the political context, media environments, target audiences, foreign policy elements, and USAGM objectives in each country and region. It also includes goals and performance targets, based on the USAGM Impact Model, for each USAGM target area for the coming year. As progress toward these goals and targets is tracked, USAGM has the opportunity to monitor performance and take corrective actions.

PROGRAM REVIEW

USAGM networks conduct yearly reviews of their language services and their programming in order to maintain high quality broadcasts and to help the language services progress toward their strategic goals. These program reviews are evaluations of the quality of a selection of programming of each language service based upon both internal and external feedback. The reviews aim to provide network leadership and USAGM an independent evaluation of the work of each language service and identify areas where further attention is needed in order to achieve the service's goals. In FY 2019, USAGM reinforced its program review process by developing and disseminating common standards across all of its networks.

IMPACT MODEL

USAGM has developed a robust Impact Model, tied directly to its mission, which provides a comprehensive tool for measuring impact in the varied and complicated media environments in which USAGM networks operate. The model looks beyond sheer audience size to assess the concrete change that the news and

information USAGM networks provided has made in the lives of audience members, in the local media sector, and among governments. USAGM has now aligned all internal and external reporting with this model. All of the indicators used in language service strategies and for Impact Objectives come from the Impact Model.

USAGM has made impact a key priority. The USAGM research staff and network research directors continue to develop and refine the Impact Model and use it as a communications tool and accountability measure.

OTHER EVALUATIONS

The Office of the Inspector General (OIG) provides USAGM and Congress with systematic and independent evaluations of the operations of USAGM, designed to prevent and detect waste, fraud, and abuse. OIG inspections also generally review whether policy goals and objectives are being effectively achieved. However, 22 USC 6203(a)(3)(B) states that the OIG “shall respect the journalistic integrity of all the broadcasters and may not evaluate the philosophical or political perspectives reflected in the content of broadcasts.”

The Government Accountability Office (GAO) audits Agency operations to determine whether federal funds are being spent efficiently and effectively, including investigating allegations of illegal and improper activities, reporting on how well government programs and policies are meeting their objectives, and performing policy analyses and outlining options for Congressional consideration. GAO also advises Congress and the heads of executive agencies about ways to make government more efficient, effective, ethical, equitable, and responsive.

Section 3: Financial Information

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Message from the Chief Financial Officer

I am proud to present the Fiscal Year (FY) 2019 financial statements for the U.S. Agency for Global Media (USAGM). The Performance and Accountability Report is our principal report to the President, the Congress, and the American people on our stewardship of the public funds with which we have been entrusted and which are essential for achieving our important mission to inform, engage, and connect people around the world in support of freedom and democracy.

The Agency received an unmodified audit opinion on the FY 2019 and FY 2018 financial statements. Over the past year, we have worked diligently to meet the reporting, audit, and compliance requirements that the White House Office of Management and Budget, the Treasury, and the Congress have put in place to improve federal financial management, business practices, and accountability.

During FY 2019, USAGM has continued to strengthen financial management in numerous ways, including with the upgrade of Momentum, its financial management system, which is improving reliability and functionality for Agency users.

Additionally, USAGM leadership has focused resources on continuing progress in improving the oversight of its grants, including through implementing its new Grants Management Standard Operating Procedure (SoP). Consistent with the SoP and identified risk mitigation efforts, USAGM awarded a contract to ensure fiscal responsibility in the compensation its grantee networks provide to their employees, and staff are working to procure assistance to build an annual site visit program and cost allowability reviews.

It was through the professionalism and hard work of our staff that we completed these accomplishments in FY 2019. We acknowledge that there is additional work to be done, and we look forward to partnering with the independent financial auditors and the Office of the Inspector General in the year ahead.



John W. Barkhamer
Acting Chief Financial Officer
November 19, 2019

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Independent Auditor's Report



Office of Inspector General
United States Department of State

UNCLASSIFIED

November 19, 2019

Mr. Grant K. Turner
U.S. Agency for Global Media
Chief Executive Officer and Director
330 Independence Ave., SW
Suite 3300
Washington, DC 20237

The Honorable Kenneth Weinstein
Governing Board
Chairman
330 Independence Ave., SW
Suite 3300
Washington, DC 20237

Dear Mr. Turner and Mr. Weinstein:

An independent external auditor, Williams, Adley & Company-DC, LLP (Williams Adley), was engaged to audit the financial statements of the U.S. Agency for Global Media (USAGM) as of September 30, 2019, and for the year then ended; to provide a report on internal control over financial reporting; and to report any reportable noncompliance with laws, regulations, contracts, and grant agreements it tested. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget audit guidance. In its report *Independent Auditor's Report on the U.S. Agency for Global Media FY 2019 Financial Statements* (AUD-FM-IB-20-06), Williams Adley found

- the financial statements as of and for the fiscal year ended September 30, 2019, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- no material weaknesses¹ in internal control over financial reporting;
- one significant deficiency² in internal control over financial reporting, specifically in the area of grantee monitoring; and
- one instance of reportable noncompliance with laws, regulations, contracts, and grant agreements, specifically Federal grant regulations.

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

² A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

UNCLASSIFIED

Williams Adley is responsible for the enclosed auditor's report, which includes the Report on the Financial Statements, the Report on Internal Control Over Financial Reporting, and the Report on Compliance With Laws, Regulations, Contracts, and Grant Agreements, dated November 19, 2019, and the conclusions expressed in the report. The Office of Inspector General (OIG) does not express an opinion on USAGM's financial statements or conclusions on internal control over financial reporting and compliance with laws, regulations, contracts, and grant agreements.

USAGM's comments on the auditor's report are attached to the report.

OIG appreciates the cooperation extended to it and Williams Adley by USAGM managers and staff during this audit.

Sincerely,



Steve A. Linick
Inspector General

Enclosure: As stated.



**Independent Auditor's Report
AUD-FM-IB-20-06**

Chief Executive Officer and Director
U.S. Agency for Global Media

Chair of Board of Governors
U.S. Agency for Global Media

Inspector General
U.S. Department of State

In our audit of the FY 2019 financial statements of the U.S. Agency for Global Media (USAGM), we found:

- USAGM's financial statements as of and for the fiscal year ended September 30, 2019, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed;¹ and
- a reportable noncompliance for FY 2019 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI)² and other information included with the financial statements;³ (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, contracts, and grant agreements; and (4) agency comments.

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

² The RSI consists of Management Discussion and Analysis and Deferred Maintenance.

³ Other information consists of the Message from the U.S. Agency for Global Media [Chief Executive Officer] and Governing Board Chairman, the Introduction, the Performance Information, the Message from the Chief Financial Officer, and the Other Information section of USAGM's Performance and Accountability Report.

WILLIAMS, ADLEY & COMPANY-DC, LLP

Certified Public Accountants / Management Consultants

1030 15th Street, NW, Suite 350 West • Washington, DC 20005 • (202) 371-1397 • Fax: (202) 371-9161
www.williamsadley.com

Report on the Financial Statements

In accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, we have audited USAGM's financial statements. USAGM's financial statements comprise the consolidated balance sheet as of September 30, 2019, and the related consolidated statements of net cost and changes in net position, the combined statement of budgetary resources for the fiscal year then ended; and the related notes to the financial statements.

We conducted our audit in accordance with U.S. generally accepted government auditing standards. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility

USAGM's management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in documents containing the audited financial statements and auditor's report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. U.S. generally accepted government auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

An audit of financial statements involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the auditor's assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit of financial statements also involves evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit also included performing such other procedures as we considered necessary in the circumstances.

Opinion on Financial Statements

In our opinion, USAGM's financial statements present fairly, in all material respects, USAGM's financial position as of September 30, 2019, and its net cost of operations, changes in net position,

and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Prior Year Financial Statements

USAGM's financial statements as of and for the year ended September 30, 2018, were audited by other auditors whose Independent Auditor's Report dated November 13, 2018, expressed an unmodified opinion on those financial statements.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Although the RSI is not a part of the basic financial statements, FASAB considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

USAGM's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements. Our audit was conducted for the purpose of forming an opinion on USAGM's financial statements. We did not audit and do not express an opinion or provide any assurance on the other information.

Report on Internal Control over Financial Reporting

In connection with our audit of USAGM's financial statements, we considered USAGM's internal control over financial reporting, consistent with our auditor's responsibility discussed below. We performed our procedures related to USAGM's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

Management's Responsibility

USAGM management is responsible for maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

In planning and performing our audit of USAGM's financial statements as of and for the year ended September 30, 2019, in accordance with U.S. generally accepted government auditing standards, we considered USAGM's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of USAGM's internal control over financial reporting. Accordingly, we do not express an opinion on USAGM's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies⁴ or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described above, and was not designed to identify all deficiencies in internal control that might be material weaknesses and significant deficiencies or to express an opinion on the effectiveness of USAGM's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As discussed in Appendix I, our audit identified one deficiency in USAGM's controls over grants monitoring that represents a significant deficiency in USAGM's internal control over financial reporting. We considered this significant deficiency, which was also reported in the other auditors' FY 2018 audit report, in determining the nature, timing, and extent of our audit procedures on USAGM's FY 2019 financial statements.

Although the significant deficiency in internal control did not affect our opinion on USAGM's FY 2019 financial statements, misstatements may occur in unaudited financial information reported internally and externally by USAGM because of this significant deficiency.

Our assessment of the current status of prior year significant deficiencies, and the noncompliance instance described later in this report, is presented in Appendix II.

⁴A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

In addition to the significant deficiency, we identified other control deficiencies in USAGM's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant USAGM's management's attention. We have communicated these matters to USAGM management and, where appropriate, will report on them separately.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of USAGM's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of USAGM's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audit of USAGM's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibility discussed below. We caution that noncompliance may occur and not be detected by these tests. We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Management's Responsibility

USAGM management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to USAGM.

Auditor's Responsibility

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to USAGM that have a direct effect on the determination of material amounts and disclosures in USAGM's financial statements, and perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to USAGM.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed one instance of noncompliance for FY 2019 related to the Code of Federal Regulations (CFR), Title 2, Subtitle A, Chapter II, Part 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, that is reportable under U.S. generally accepted government auditing standards. The noncompliance is explained further in Appendix I. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to USAGM. Accordingly, we do not express such an opinion.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit

performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Agency Comments

In commenting on a draft of this report, USAGM provided a written response, which is presented in Appendix III. We did not audit USAGM's response and, accordingly, we express no opinion on the response.

Williams, Arley & Company, DC, LLP

Washington, District of Columbia
November 19, 2019

Appendix I

Significant Deficiency in Internal Control and Related Noncompliance Matter

Grantee Monitoring

The U.S. Agency for Global Media (USAGM) has four USAGM-sponsored non-Federal entities (that is, grantees, which USAGM also refers to as “surrogate broadcasters”): Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), the Middle East Broadcasting Networks (MBN), and the Open Technology Fund (OTF). OTF is a new grantee that received its first grant from USAGM on September 26, 2019, while RFE/RL, RFA, and MBN were funded through annual grant agreements consistent with prior year practices. As of September 30, 2019, USAGM’s four grantees collectively received over \$289 million from USAGM in Federal grant awards during FY 2019, which represents approximately one-third of USAGM’s annual funding. USAGM is responsible for monitoring the use of those funds to ensure that grantees adhere to applicable laws and regulations, as well as terms and conditions specified in the grant agreements. USAGM’s Office of Chief Financial Officer, Budget Division (OCFO/B) is the primary office responsible for grantee monitoring.

The June 2019 Code of Federal Regulations (CFR), Title 2, Subtitle A, Chapter II, Part 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart D, §200.300, states, “The Federal awarding agency must manage and administer the Federal award in a manner so as to ensure that Federal funding is expended and associated programs are implemented in full accordance with U.S. statutory and public policy requirements: including, but not limited to, those protecting public welfare, the environment, and prohibiting discrimination. The Federal awarding agency must communicate to the non-Federal entity all relevant public policy requirements, including those in general appropriations provisions, and incorporate them either directly or by reference in the terms and conditions of the Federal award.” Additionally, Subpart D §200.400(d) states, “the accounting practices of the non-Federal entity must be consistent with [Subpart E-Cost Principles] and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award.”

USAGM, Office of the Chief Financial Officer, *Standard Operating Procedures for Monitoring Grants*, February 2019, Section V. Procedures, which presents information and procedures that USAGM will use during the life of a grant, states, “USAGM will monitor grantees using various techniques, including reporting requirements, meetings, standard and ad hoc site visits, telephone calls, written correspondence, and audits.” Specifically,

- “The frequency of USAGM’s monitoring activities may depend on the amount of funding, scope of grantee’s projects, prior assessments of grantee compliance, and risk assessments performed by USAGM.”
- “OCFO/B will conduct site visits to each grantee headquarters site (domestic/overseas) and one bureau once per fiscal year and unless there are findings that merit additional follow-up (i.e. Audit findings)... OCFO/B will prepare a checklist of items to review and discuss with the grantee... OCFO/B will issue a report to the USAGM CFO after conducting a site visit, which will identify any findings or areas for improvement noted.”

We selected 15 control activities to test whether USAGM had effectively implemented controls for grantee monitoring. We found that 8 of 15 controls tested were operating effectively. However, we found that the remaining 7 control activities were not implemented by USAGM in FY 2019. Specifically, USGAM did not implement control activities requiring:

Appendix I
Significant Deficiency and Related Noncompliance Matter

1. Reviewing the grantee's stated amount of cash currently on hand to determine if excess cash is being held by the grantee.
2. Monitoring and overseeing the grantee's drawdowns and execution of grant funds during the grant's period of performance to ensure the grantee is using grant funds at appropriate times.
3. Performing risk assessments and monitoring (OCFO/B) that includes assessing the grantee's compliance with the terms and conditions of the grant agreement.
4. Monitoring grantee's use of required reports such as Annual Financial Plans, Performance Reports, Funding Requests, and Unfunded Liabilities reports.
5. Conducting site visits to each grantee headquarters site (domestic/overseas) and one bureau once per fiscal year, unless there are findings that merit additional follow-up.
6. Performing salary comparability studies annually, or more frequently as directed by the USAGM Chief Executive Officer or Chief Financial Officer.
7. Monitoring equipment purchased by grantees to ensure federally funded equipment is not used by unauthorized parties and does not contribute to misappropriated revenue.

To aid in the grants monitoring process, USAGM revised its standard operating procedures (SOP)¹ for grantee monitoring in February 2019. For example, the updated SOP established a quality control review program requiring reviews of grantee cost allowability and extensive procedures for site visits to evaluate grantee compliance with the terms of the grant agreement. Despite these efforts, according to USAGM management, implementation of critical monitoring activities, detailed in the updated SOP, continued to be delayed due to changes in USAGM's leadership team and a lack of staff resources.

Because USAGM continued to lack effective grantee oversight, there is an increased risk of fraud, waste, and abuse of Federal funds. As USAGM is the primary funding source for the grantees, an organized and documented approach to oversight is needed to demonstrate accountability and mitigate the risk of waste, fraud, and abuse. For example, without effective control activities to monitor cost allowability, USAGM may not detect inappropriate grantee spending and may not have money returned to be repurposed to other mission-critical activities.

Moreover, the lack of grantee monitoring and oversight controls continues to result in USAGM's noncompliance with Federal grant regulations, which is reportable under U.S. generally accepted government auditing standards.

¹ USAGM Office of the Chief Financial Officer, *Standard Operating Procedures for Monitoring Grants*, originally issued in August 2018.

Appendix II
Status of Prior Year Significant Deficiencies and Noncompliance Matters

Our assessment of the current status of prior year findings reported by other auditors is presented below.

Prior Year Finding	Current Year Status
Control Significant Deficiencies	
Grantee Monitoring	Open and repeated in FY 2019 Audit Report
Information Technology	Closed*
Noncompliance Matter	
Federal Grant Regulations	Open and repeated in FY 2019 Audit Report

* We determined that the U.S. Agency for Global Media's (USAGM) financial system (Momentum) is not part of its general IT support system; therefore, on the basis of our analysis of the FY 2019 Federal Information System Modernization Act audit report (Office of Inspector General, *Audit of the U.S. Agency for Global Media Information Security Program* [AUD-IT-IB-20-02, October 2019]), USAGM's overall information security weaknesses do not have a direct impact on the financial data processed and stored within Momentum.

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Response to the Audit



U.S. AGENCY FOR
GLOBAL MEDIA

UNITED STATES
BROADCASTING
BOARD OF
GOVERNORS

330 Independence Avenue SW | Washington, DC 20237 | usagm.gov

November 19, 2019

The Honorable Steve A. Linick
Inspector General
U.S. Department of State

Dear Mr. Linick:

The U.S. Agency for Global Media (USAGM) is a dynamic multimedia organization with the vital mission to inform, engage, and connect people around the world in support of freedom and democracy. The annual Performance and Accountability Report is an integral part of providing a comprehensive account of the financial activities and accomplishments across the Agency.

I am proud to report that the USAGM continues to receive an unmodified opinion for this fiscal year's financial audit. Through the diligent efforts of Agency staff, the significant deficiency in the area of Information Technology was removed.

With new investments in grantee oversight, I am confident we will make substantial strides toward improved compliance in this area during Fiscal Year 2020.

We acknowledge the efforts of Williams, Adley & Company, who performed the financial statement audit for USAGM.

Sincerely,

A handwritten signature in blue ink, reading "John W. Barkhamer".

John W. Barkhamer
Acting Chief Financial Officer

Voice of America | Radio Free Europe/Radio Liberty | Office of Cuba Broadcasting | Radio Free Asia | Middle East Broadcasting Networks

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Financial Statements

**U.S. Agency for Global Media
Consolidated Balance Sheet
As of September 30, 2019 and 2018**
(in thousands)

	FY 2019	FY 2018
Assets (Note 2):		
Intragovernmental:		
Fund Balance with Treasury (Note 3)	\$ 245,805	\$ 253,742
Accounts Receivable (Note 5)	48	41
Other (Note 8)	245	-
Total Intragovernmental	<u>246,098</u>	<u>253,783</u>
Cash and Other Monetary Assets (Note 4)	3	3
Accounts Receivable, Net (Note 5)	79	130
Advances to Surrogate Broadcasters (Note 6)	78,000	72,000
General Property, Plant and Equipment, Net (Note 7)	69,540	79,783
Other (Note 8)	1,521	874
Total Assets	<u>\$ 395,241</u>	<u>\$ 406,573</u>
Liabilities (Note 9):		
Intragovernmental:		
Accounts Payable	\$ 1,849	\$ 2,947
Accrued FECA Liability (Note 9)	1,452	1,524
Other (Note 12)	2,110	1,878
Total Intragovernmental	<u>5,411</u>	<u>6,349</u>
Accounts Payable	19,457	21,960
Actuarial FECA Liabilities (Note 9)	8,345	8,718
Accrued Payroll and Benefits	11,039	9,954
Foreign Service Nationals After-Employment Benefits (Note 9 and 10)	6,253	6,461
Environment and Disposal Liabilities (Note 9 and 11)	920	887
Accrued Annual and Compensatory Leave (Note 9)	16,582	15,527
Other (Note 12)	2,663	2,735
Total Liabilities	<u>\$ 70,670</u>	<u>\$ 72,591</u>
Commitments and Contingencies (Note 9, 13 and 14)		
Net position:		
Unexpended Appropriations	\$ 269,907	\$ 266,944
Cumulative Results of Operations	54,664	67,038
Total Net Position	<u>\$ 324,571</u>	<u>\$ 333,982</u>
Total Liabilities and Net Position	<u>\$ 395,241</u>	<u>\$ 406,573</u>

The accompanying notes are an integral part of these statements.

U.S. Agency for Global Media
Consolidated Statement of Net Cost
For the Years Ended September 30, 2019 and 2018
(in thousands)

	FY 2019	FY 2018
Voice of America (VOA)		
Gross Costs	\$ 426,464	\$ 383,771
Less: Earned Revenues	(1,055)	(1,572)
Net Program Costs	<u>425,409</u>	<u>382,199</u>
Office of Cuba Broadcasting (OCB)		
Gross Costs	41,561	40,181
Less: Earned Revenues	-	-
Net Program Costs	<u>41,561</u>	<u>40,181</u>
Surrogate Broadcasters		
Gross Costs	363,996	374,179
Less: Earned Revenues	(2,249)	(2,149)
Net Program Costs	<u>361,747</u>	<u>372,030</u>
Total Gross Costs	832,021	798,131
Less: Total Earned Revenues	(3,304)	(3,721)
Net Cost of Operations	<u><u>\$ 828,717</u></u>	<u><u>\$ 794,410</u></u>

The accompanying notes are an integral part of these statements.

U.S. Agency for Global Media
Consolidated Statement of Changes in Net Position
For the Years Ended September 30, 2019 and 2018
(in thousands)

	FY 2019	FY 2018
Unexpended Appropriations:		
Beginning Balance	\$ 266,944	\$ 232,094
Adjustments (+/-)		
Corrections of Errors (+/-)	-	-
Beginning Balance as Adjusted	<u>266,944</u>	<u>232,094</u>
Budgetary Financing Sources:		
Appropriations Received	807,896	807,686
Other Adjustments (+/-)	(1,956)	(1,377)
Appropriations Used	<u>(802,977)</u>	<u>(771,459)</u>
Total Budgetary Financing Sources	<u>2,963</u>	<u>34,850</u>
Total Unexpended Appropriations	<u>269,907</u>	<u>266,944</u>
Cumulative Results from Operations:		
Beginning Balances	\$ 67,038	\$ 76,869
Adjustments: (+/-)		
Corrections of Errors (+/-)	-	-
Beginning Balance as Adjusted	<u>67,038</u>	<u>76,869</u>
Budgetary Financing Sources:		
Appropriations Used	802,977	771,459
Other (+/-)	-	-
Other Financing Sources (Nonexchange):		
Imputed Financing	13,369	13,124
Other (+/-)	<u>(3)</u>	<u>(4)</u>
Total Financing Sources	816,343	784,579
Net Cost of Operations (+/-)	<u>828,717</u>	<u>794,410</u>
Net Change	(12,374)	(9,831)
Cumulative Results of Operations	<u>54,664</u>	<u>67,038</u>
Net Position	<u>\$ 324,571</u>	<u>\$ 333,982</u>

The accompanying notes are an integral part of these statements.

U.S. Agency for Global Media
Combined Statement of Budgetary Resources
For the Years Ended September 30, 2019 and 2018
(in thousands)

	FY 2019	FY 2018
Budgetary Resources:		
Unobligated Balance from Prior Year Budget Authority, Net	\$ 82,361	\$ 78,691
Appropriations (Discretionary and Mandatory)	808,364	808,154
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	2,271	4,878
Total Budgetary Resources	<u>\$ 892,996</u>	<u>\$ 891,723</u>
Status of Budgetary Resources:		
New Obligations and Upward Adjustments (Total)	\$ 815,674	\$ 816,963
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	29,803	33,355
Unapportioned, Unexpired Accounts	20,674	14,769
Unexpired Unobligated Balance, End of Year	<u>50,477</u>	<u>48,124</u>
Expired Unobligated Balance, End of Year	26,845	26,636
Unobligated Balance, End of Year (Total)	<u>77,322</u>	<u>74,760</u>
Total Budgetary Resources	<u>\$ 892,996</u>	<u>\$ 891,723</u>
Outlays, Net:		
Outlays, Net (Total) (Discretionary and Mandatory)	814,340	777,294
Distributed Offsetting Receipts	-	-
Agency Outlays, Net (Discretionary and Mandatory)	<u>\$ 814,340</u>	<u>\$ 777,294</u>

The accompanying notes are an integral part of these statements.

United States Agency for Global Media

Notes to Principal Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On October 1, 1999, the Broadcasting Board of Governors (BBG) became the independent, autonomous entity responsible for all U.S. Government and government-sponsored, non-military, international broadcasting. This was the result of the 1998 Foreign Affairs Reform and Restructuring Act (Public Law 105-277). The Fiscal Year 2017 National Defense Authorization Act made several significant reforms to the Agency's management structure. Some of these took immediate effect, others will come into force at a future date. Primarily, the act authorized the position of Chief Executive Officer (CEO). Under the new statutory structure, the CEO will serve as agency head, assuming all leadership, management, and operational authorities, including the key duty of acting as the firewall against political interference in the networks' journalism, ensuring the independence and integrity of BBG broadcasters. Currently, the Agency's Governing Board remains in place. On August 22, 2018, the name of the agency was changed to the United States Agency for Global Media (USAGM). The six media organizations that comprise the USAGM complement and reinforce one another in a shared mission vital to U.S. national interests: to inform, engage and connect people around the world in support of freedom and democracy. USAGM's mission is supported by two overarching strategic goals: (1) expanding freedom of information and expression and (2) communicating America's democratic experience and values. Together, USAGM networks communicate each week with more than 350 million people across the globe. The federal agency is composed of three components:

- International Broadcasting Bureau (IBB)
- Voice of America (VOA)
- Office of Cuba Broadcasting (OCB)

The Board, CEO, and IBB (oversight and support offices including the Office of Technology Services and Innovation (TSI)) do not engage in the development of

news content. The Board provides overall governance for USAGM and has authority to make grants to carry out its statutorily defined broadcasting mission. The oversight and support offices of TSI maintain the global distribution network over which all USAGM-funded news and information programming is distributed. Other offices provide administrative functions which are governed by federal laws and regulations. The VOA and OCB are the components of the agency that develop news content along with four grantee or surrogate broadcasters: Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), Middle East Broadcasting Networks (MBN), and as of September 2019, the Open Technology Fund (OTF). Every week, over 350 million listeners, viewers, and Internet users in 61 languages and over 100 countries around the world turn on, tune in, and log on to USAGM programs.

The grantee or surrogate broadcasters – RFE/RL, RFA, MBN, and OTF – are independent non-federal entities who receive the majority of their funding from USAGM. They are organized and managed as private, independent, non-profit corporations and considered disclosure entities in accordance with Statement of Federal Financial Accounting Standards (SFFAS) No. 47, Reporting Entity (See Note 18). Further information on these grantees can be found at:

- Radio Free Europe/Radio Liberty – www.rferl.org
- Radio Free Asia – www.rfa.org
- Middle East Broadcasting Networks – www.alhurra.com
- Open Technology Fund – www.opentech.fund

B. Basis of Presentation and Accounting

These financial statements have been prepared to report the financial position, net cost, changes in net position, and budgetary resources of USAGM, consistent with the Chief Financial Officers' Act of 1990 and the Government Management Reform Act of 1994. These financial statements have been prepared from the books and records of USAGM in accordance with U.S. generally accepted accounting principles (GAAP) for Federal entities, and presented in accordance with the form and content requirements of the Office of Management and Budget (OMB) Circular No. A-136, *Financial Reporting Requirements, revised*. GAAP for federal entities, as prescribed by the Federal Accounting Standards Advisory Board (FASAB); FASAB's SFFAS No. 34, *The Hierarchy of Generally Accepted*

Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board, which incorporates the GAAP hierarchy into FASAB's authoritative literature is the designated standard-setting body for the Federal Government.

Financial transactions are recorded in the financial system, using both an accrual and a budgetary basis of accounting. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to the receipt or payment of cash. Budgetary accounting facilitates compliance with legal requirements and mandated controls over the use of federal funds. It generally differs from the accrual basis of accounting in that obligations are recognized when new orders are placed or contracts awarded. In Accordance with SFFAS 56, accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

C. Assets and Liabilities

Assets and liabilities presented on USAGM's balance sheet includes both entity and non-entity balances. Entity assets are assets that USAGM has authority to use in its operations. Non-entity assets are held and managed by USAGM, but are not available for use in operations.

Intragovernmental assets and liabilities arise from transactions between USAGM and other federal entities. All other assets and liabilities result from activity with non-federal entities. Liabilities covered by budgetary or other resources are those liabilities of USAGM for which Congress has appropriated funds or funding is otherwise available to pay amounts due. Liabilities not covered by budgetary or other resources represent amounts owed in excess of available congressionally appropriated funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future congressional appropriations or other funding.

D. Fund Balance with Treasury

Fund Balance with Treasury (FBWT) includes several types of funds available to pay current liabilities and finance authorized purchases.

General Funds

These consist of expenditure accounts used to record financial transactions arising from congressional appropriations, as well as receipt accounts.

Trust Funds

These are used for the acceptance and administration of funds contributed from public and private sources and programs.

Other Fund Types

These include miscellaneous receipt accounts, deposit and clearing accounts maintained to track receipts and disbursements awaiting proper classification.

USAGM does not maintain cash in commercial bank accounts for the funds reported in the balance sheet, except for Imprest Funds under section E. Treasury processes domestic receipts and disbursements. Two Department of State financial service centers, located in Bangkok, Thailand and Charleston, South Carolina, provide financial support for USAGM operations overseas. The U.S. disbursing officer at each center has the delegated authority to disburse funds on behalf of the Treasury.

E. Imprest Fund

USAGM operates an imprest fund in the amount of \$3,000 at USAGM Robert E. Kamosa Transmitting Station in the Commonwealth of the Northern Mariana Islands. Due to the remote location and 24 hour continuous operation of the mission, these funds are necessary and used to pay for time sensitive expenditures required to be paid in cash to local vendors. USAGM has Treasury approved delegation of disbursing authority for the establishment and operation of the imprest fund.

F. Accounts Receivable

Accounts receivable consists of amounts owed to USAGM by other federal agencies and the public. Intragovernmental accounts receivable represents amounts due from other federal agencies for reimbursable activities. Accounts receivable from the public represent amounts due from common carriers for unused airline tickets, and from vendors for erroneous or duplicate payments. These receivables are stated net of any allowances for estimated uncollectible amounts. The allowance, if any, is determined by the nature of the receivable and an analysis of aged receivable activity. Aged receivables more than 120 days

without payment arrangements in place are sent to Treasury for collection through the Treasury Offset Program (TOP).

G. Advances and Prepayments

Payments made in advance of the receipt of goods and services are recorded as advances or prepayments, and recognized as expenses when the related goods and services are received. Advances are made principally for: official travel to some USAGM employees; salary advances to some USAGM employees, often for employees transferring to overseas assignments; advance payments to other Federal entities as part of a reimbursable agreement; prepaid leases; and miscellaneous prepayments and advances to surrogate broadcasters for future services. Advances to surrogate broadcasters receiving grant awards are described further in Note 6.

H. Personnel Compensation and Benefits

Annual, Sick and Other Leave Program

Annual, sick and other leave time are accrued when earned, reduced when taken, and adjusted for changes in compensation rates. An unfunded liability is recognized for earned but unused annual leave as these balances will be funded from future appropriations in the year that leave is taken. Sick leave is expensed when taken, and no liability is recognized as employees are not vested in unused sick leave.

Retirement Plans

Civil Service employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). Employees covered under CSRS contribute 7 percent of their salary; USAGM contributes 7 percent. Employees covered under CSRS also contribute 1.45 percent of their salary to Medicare insurance; USAGM makes a matching contribution. On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, were allowed to join FERS or remain in CSRS. Employees participating in FERS contribute 0.80 percent of their salary, with USAGM making contributions of 13.7 percent. FERS employees also contribute 6.20 percent to Old Age Survivor and Disability Insurance (OASDI) and 1.45 percent to Medicare insurance. USAGM makes matching contributions to both.

Effective January 1, 2013, pursuant to Public Law 112-96, Section 5001, new employees (as designated in the statute) pay higher FERS employee contributions (3.1 percent instead of 0.80 percent) with USAGM making contributions of 11.9 percent. These employees are covered under the FERS as Revised Annuity Employees (RAE), FERS-RAE. Effective January 1, 2014, Section 401 of the “Bipartisan Budget Act of 2013,” signed into law by the President on December 26, 2013, made another change to the Federal Employees’ Retirement System (FERS). New employees (as designated by that statute) pay higher FERS employee contributions (4.4 percent instead of 0.80 percent) with USAGM making contributions of 11.9 percent. These employees are covered under the FERS as Further Revised Annuity Employees (FRAE), FERS-FRAE.

Employees covered by CSRS and FERS are eligible to contribute to the U.S. Government’s Thrift Savings Plan (TSP), administered by the Federal Retirement Thrift Investment Board. USAGM makes a mandatory contribution of 1 percent of basic pay for FERS-covered employees. In addition, USAGM makes matching contributions, of up to 5 percent of basic pay, for FERS employees who contribute to the Thrift Savings Plan. Contributions are matched dollar for dollar for the first 3 percent of pay contributed each pay period and 50 cents on the dollar for the next 2 percent of pay. For CSRS participants, there is no governmental matching contribution. The maximum amounts that either FERS or CSRS employees may contribute to the plan in calendar year 2019 is \$19,000. Those who are of age fifty and older may contribute an additional \$6,000 in catch-up contributions.

Foreign Service employees participate in either the Foreign Service Retirement and Disability System (FSRDS) or the Foreign Service Pension System (FSPS). The FSRDS is the Foreign Service equivalent of CSRS as described in chapter 83 of Title 5, U.S.C. Employees covered under FSRDS contribute 7.25 percent of their salary; USAGM contributes 7.25 percent. Employees covered under FSRDS also contribute 1.45 percent of their salary to Medicare insurance; USAGM makes a matching contribution. The FSPS is the Foreign Service equivalent of the FERS, as described in chapter 84 of Title 5, U.S.C. In general, all Foreign Service eligible participants hired after December 31, 1983, participate in the FSPS. Most employees hired after December 31, 1983, are automatically covered by FSPS and Social Security. Employees hired prior to January 1, 1984, were allowed to join FSPS or remain in FSRDS. Employees participating in FSPS contribute 1.35

percent of their salary, with USAGM making contributions of 20.22 percent. FSPS employees also contribute 6.20 percent to OASDI and 1.45 percent to Medicare insurance. USAGM makes matching contributions to both. A primary feature of FSPS is that it offers a TSP into which USAGM automatically contributes 1 percent of pay and matches employee contributions up to an additional 4 percent. FSRDS-covered employees may make voluntary contributions to the TSP, but without the employer 1 percent contribution or employer-matching contributions. Effective January 1, 2013, pursuant to Public Law 112-96, Section 5001, new employees (as designated in the statute) pay higher FSPS employee contributions (3.65 percent instead of 1.35 percent) with USAGM making contributions of 17.92 percent. These employees are covered under FSPS as Revised Annuity Employees (RAE), FSPS-RAE. The Department of State manages the FSRDS and FSPS plans.

Health Insurance

Most of USAGM's employees participate in the Federal Employees Health Benefits Program (FEHB), a voluntary program that provides protection for enrollees and eligible family members in case of illness, accident, or both. Under FEHB, USAGM contributes the employer's share of the premium as determined by the U.S. Office of Personnel Management (OPM).

Life Insurance

Unless specifically waived, employees are covered by the Federal Employees Group Life Insurance Program (FEGLI). FEGLI automatically covers eligible employees for basic life insurance in amounts equivalent to an employee's annual pay. Enrollees and their family members are eligible for additional insurance coverage, but the enrollee is responsible for the cost of the additional coverage. Under FEGLI, USAGM contributes the employer's share of the premium, as determined by OPM.

Workers' Compensation

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims. The FECA liability

consists of two components. First is a current liability amount based on actual claims paid by DOL but not yet reimbursed by USAGM. Timing of USAGM's reimbursement to DOL is dependent on appropriated funds made available for this purpose and generally occurs two to three years after actual claims had been paid. The second FECA component is the actuarial estimate of future benefit payments for death, disability, medical, and miscellaneous costs. This estimate is determined using a method that analyzes historical benefit payment patterns related to a specific period in order to predict the ultimate payments related to the current period. The estimated liability is not covered by budgetary resources and will require future funding.

Federal Employees Post-Employment Benefits

USAGM does not report CSRS, FERS, FEHB or FEGLI assets, accumulated plan benefits, or unfunded liabilities applicable to its employees; OPM reports this information. As required by Statements of Federal Financial Accounting Standards (SFFAS) No.5, *Accounting for Liabilities of the Federal Government*, USAGM reports the full cost of employee benefits for the programs that OPM administers. USAGM recognizes an expense and imputed financing source for the annualized unfunded portion of CSRS, post-retirement health benefits, and life insurance for employees covered by these programs. The additional costs are not actually owed or paid to OPM, and thus are not reported as liabilities on the balance sheet. For each fiscal year the Office of Personnel Management (OPM) calculates the U.S. Government's service costs for covered employees, which is an estimate of the amount of funds that, if accumulated annually and invested over an employee's career, would be enough to pay that employee's future benefits. Since the U.S. Government's estimated FY 2019 service cost exceeds contributions made by employer agencies and covered employees, the plan is not fully funded by USAGM and its employees. For FY 2019 USAGM recognized \$13.4 million as an imputed cost and as an imputed financing source for the difference between the estimated service cost and the contributions made by USAGM and its employees.

Foreign Service Nationals (FSN) After-Employment Benefits

USAGM employs approximately 280 FSN employees at 26 overseas posts. Many of these posts offer after-employment benefits that are based on the employment laws and prevailing wage practices in that host country. These benefits may

include annuity-based defined benefit plans, defined contribution plans, and lump sum voluntary severance and retirement benefits. Descriptions of these after-employment benefits and projected plan benefits are presented in fuller details in Note 10.

Personal Services Contractors

Beginning in June 2019, Personal Service Contractors (PSCs) became a part of USAGM's workforce. VOA relies on the specialized skills of contractors to develop and deliver content to its worldwide audience. USAGM is exploring different approaches to streamline management of these contractors and increase the agility with which leadership can leverage its contractor resources to complement its robust federal workforce. Previously managed by staffing service procurements, PSCs are currently managed directly in accordance with individual personnel service contract agreements with the agency. The agency has a procurement contract to administer payroll and associated benefits on the agency's behalf. PSCs are eligible to participate in a voluntary benefits program that offers health, vision and life insurance benefits for enrollees and eligible family members, to which USAGM contributes some of these benefits. USAGM also pays the employer's portion of Workers' Compensation premiums due to Federal and State authorities. PSCs do not participate in after-employment benefits, and there is no post-employment liability related to PSCs.

I. Contingent Liabilities

A loss contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible loss which should ultimately be resolved when a future event occurs or fails to occur. Contingencies are accrued in the financial statements where the liability is probable and the cost is measurable. Contingencies that do not meet any of the conditions for liability recognition, but for which there is at least a reasonable possibility that a liability may be incurred, are disclosed but not accrued, as presented in Note 14.

J. Revenues and Financing Sources

USAGM operations are financed through congressional appropriations, reimbursement for the provision of goods or services to other federal agencies and the public, transfers and donations. Financing sources are received in direct annual and no-year appropriations; these appropriations may be used, within statutory limits, for operating and capital expenditures.

Work performed for other federal agencies under reimbursable agreements is initially financed through either an advance of funds received or the Bureau providing the service, and is subsequently reimbursed. Reimbursements are recognized as revenue when earned, i.e., goods have been delivered or services rendered, and the associated costs have been incurred. Occasionally, earned revenues occur when USAGM provides goods or services to the public in which case the revenue is recognized when collected.

An imputed financing source is recognized to offset costs incurred by USAGM and funded by another federal source, in the period in which the cost was incurred. The types of costs offset by imputed financing are employees' pension benefits, health insurance, life insurance, and other post-retirement benefits for employees. Funding from other federal agencies is recorded as an imputed financing source.

K. Net Position

USAGM's net position contains the following components:

Unexpended Appropriations

This is the sum of undelivered orders and unobligated balances. Undelivered orders represent the amount of obligations incurred for goods or services ordered, but not yet received. An unobligated balance is the amount available after deducting cumulative obligations from total budgetary resources. As obligations for goods or services are incurred, the available balance is reduced.

Cumulative Results of Operations

These include (1) the accumulated difference between revenues and financing sources less expenses since inception; (2) USAGM's investment in capitalized assets financed by appropriation; (3) donations; and (4) unfunded liabilities, for which liquidation may require future congressional appropriations or other budgetary resources.

L. Management's Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent liabilities. Actual results could differ from these estimates.

M. Statement of Net Cost Presentation

The cost and revenue information presented in the Statement of Net Cost is aligned to the two federal broadcasting entities, displayed separately, and the four grantees, or surrogate broadcasters, displayed in the aggregate. Costs of oversight and support offices are allocated between the broadcasting entities. The two overarching strategic goals outlined in the Strategic Plan are (1) Expand freedom of information and expression, and (2) Communicate America's democratic experience. Both federal entities and all four grantees carry out activities to achieve these goals. VOA's mission aligns directly with USAGM's second goal, and its efforts are largely focused on achieving this goal, while the other entities are primarily focused on achieving the first goal.

NOTE 2: ENTITY / NON-ENTITY ASSETS

Entity and Non-Entity assets of USAGM have been combined on the balance sheet. Non-entity assets relate primarily to state and local taxes and other employee payroll withholdings included under FBWT deposit accounts and are currently held by but not available to USAGM. The funds are restricted by nature and will be forwarded to Treasury or other entities at a future date.

Non-entity assets as of September 30, 2019 and 2018 are summarized as follows:

Non-Entity Assets (in thousands)	2019	2018
Intragovernmental:		
Fund Balance with Treasury	\$ 2,966	\$ 2,899
Total Intragovernmental	2,966	2,899
Total Non-Entity Assets	2,966	2,899
Total Entity Assets	392,275	403,674
Total Assets	\$ 395,241	\$ 406,573

NOTE 3: FUND BALANCE WITH TREASURY

Treasury performs cash management activities for all federal agencies. The Fund Balance with Treasury (FBWT) represents the right of USAGM to draw down funds from Treasury for expenses and liabilities. The balances in Note 3 are reconciled to Treasury and primarily consist of appropriated, trust, deposit and clearing funds.

Appropriated funds are general fund expenditure accounts established to record amounts appropriated by law for the general support of Federal Government

activities and the subsequent expenditure of these funds. It includes spending from both annual and permanent appropriations.

Trust fund balances consist primarily of (1) Foreign Service National Separation Liability Trust; and (2) Miscellaneous Trust.

Other Fund types consist of Deposit and Clearing accounts with balances held but not available by USAGM. Deposit fund examples are: Withheld State and Local Taxes (payroll); Other Federal Payroll Withholdings; Collections of receivables from Canceled Accounts; and General Funds Proprietary Receipts, Not Otherwise Classified. Clearing fund examples are: Proceeds of Sales, Personal Property; and Budget Clearing Account (Suspense).

The Status of Fund Balance with Treasury as of September 30, 2019 and 2018, consists of the following:

Status of Fund Balance with Treasury (<i>in thousands</i>)	2019	2018
Unobligated Balance		
Available	\$ 50,477	\$ 48,124
Unavailable	26,845	26,636
Obligated Balance Not Yet Disbursed	165,515	176,010
Non-Budgetary Fund Balance with Treasury	2,968	2,972
Total	\$ 245,805	\$ 253,742

The status of the fund balance may be classified as unobligated available, unobligated unavailable, obligated balance not yet disbursed, and non-budgetary Fund Balance with Treasury. Unobligated available funds, depending on budget authority, are generally available for new obligations in the current fiscal year. The unobligated unavailable amounts are those appropriated in prior fiscal years but not available to fund new obligations; however they are available to increase existing prior year obligations. The obligated but not yet disbursed balance represents amounts designated for payment of goods and services ordered but not yet received, or goods and services received but for which payment has not yet been made.

Canceled funds returned to Treasury as of September 30, 2019 and 2018 totaled \$2 million and \$1.4 million, respectively.

NOTE 4: CASH AND OTHER MONETARY ASSETS

Cash consists of funds held outside of Treasury and the Federal Reserve by authorized fiscal officers or agents. Cash includes all monetary resources on hand or on deposit with a financial institution, including coins, paper currency, and readily negotiable instruments such as checks and money orders. USAGM's use of unrestricted cash consists of funds on deposit with a Treasury designated financial institution, for use by the transmitting stations of the Commonwealth of the Northern Mariana Islands, as delegated by Treasury.

Cash and Other Monetary Assets as of September 30, 2019 and 2018 consists of the following:

Cash and Other Monetary Assets (in thousands)	2019	2018
Cash	\$ 3	\$ 3
Total Cash and Other Monetary Assets	\$ 3	\$ 3

NOTE 5: ACCOUNTS RECEIVABLE, NET

Accounts receivable as of September 30, 2019 and 2018, are as follows:

Accounts Receivable (in thousands)	2019	2018
Intragovernmental	\$ 48	\$ 41
Public	84	135
Allowance for Uncollectable Accounts	(5)	(5)
Total Accounts Receivable, Net	\$ 127	\$ 171

An allowance for Uncollectable accounts is established on an individual account basis based on an overall assessment of the debtor's willingness and ability to pay. Delinquent debts are referred to Treasury in accordance with the Debt Collection Improvement Act of 1996.

NOTE 6: ADVANCES TO SURROGATE BROADCASTERS

The advance to surrogate broadcasters (or grantees) represents an amount in which USAGM has disbursed funds but for which goods and services have not been delivered or performed. Grant funds are issued periodically throughout the year on an advance basis and liquidated based on actual expenses incurred by the grantee. The grant advance liquidation approach utilizes expenses as recorded in the grantee's preliminary unaudited Trial Balances through

September of the year being audited. In some instances, grantees provided estimates for expenses and year-end adjustments for activity incurred but not recorded in the preliminary trial balance due to timing and availability. The grantee advance accrual does not account for grantee executed vendor contracts awarded where services have not been received by the grantee as of year-end.

Advances to surrogate broadcasters for the years ended September 30, 2019 and 2018 are \$78 million and \$72 million, respectively.

NOTE 7: PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment (PP&E) consist of equipment, buildings, vehicles, and land. There are no restrictions on the use of property, plant, and equipment. USAGM capitalizes property, plant, and equipment with a useful life of two years or more that meet the established capitalization thresholds. In FY 2017, USAGM updated the PP&E policy for capitalization. The thresholds for capitalization are as follows for property acquired on or after October 1, 2018: equipment costing \$75,000 or more, buildings and capital leases costing \$100,000 or more, and other structures and facilities costing \$100,000 or more. In addition, ADP software costing \$250,000 or more, and all land, land rights, and vehicles are capitalized, regardless of cost.

The thresholds for capitalization are as follows for property acquired before October 1, 2018: equipment costing \$25,000 or more, buildings and capital leases costing \$100,000 or more, and other structures and facilities costing \$50,000 or more. In addition, ADP software costing \$250,000 or more, and all land, land rights, and vehicles are capitalized, regardless of cost.

Expenditures for normal repairs and maintenance are expended unless the expenditure is equal to or greater than \$75,000 and the improvement increases the asset's useful life by two years or more, in which case the amounts are capitalized.

Depreciation or amortization is computed using the straight-line methodology over the assets' useful lives ranging from three to thirty years. Amortization of capitalized software begins on the date it is put in service, if purchased, or when the module or component has been successfully tested if developed internally.

Property, plant, and equipment consists of property used in operations and consumed over time. The following table summarizes cost and accumulated depreciation/amortization of property, plant, and equipment as of September 30, 2019 and 2018.

PP&E (in thousands)		2019			2018		
Property Category	Useful Life (Years)	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Land	N/A	\$ 3,416	\$ -	\$ 3,416	\$ 3,416	\$ -	\$ 3,416
Construction-in-Progress	N/A	633	-	633	2,346	-	2,346
Building	30	24,279	(20,087)	4,192	25,169	(19,899)	5,270
Other Structures	20	6,217	(5,887)	330	7,946	(7,030)	916
Equipment	6-30	298,618	(247,176)	51,442	299,350	(239,747)	59,603
Vehicles	6	5,554	(3,870)	1,684	5,804	(4,204)	1,600
Leasehold Improvements	10-20	7,472	(1,958)	5,514	7,472	(1,399)	6,073
Software	3-6	7,511	(5,182)	2,329	5,148	(4,589)	559
Total		\$ 353,700	\$ (284,160)	\$ 69,540	\$ 356,651	\$ (276,868)	\$ 79,783

Depreciation and amortization expense as of September 30, 2019 and 2018 is \$12.4 million and \$12.5 million, respectively.

On October 24th, 2018, Super Typhoon Yutu made landfall on Saipan and Tinian, the largest islands of the Commonwealth of the Northern Marianas Islands (CNMI). It severely damaged the USAGM's transmitting infrastructure (collectively called the Robert E. Kamosa Transmitting Station, or REKTS). As a Category 5 Super Typhoon, Yutu devastated the facilities at both sites, and all shortwave broadcasts from CNMI to North Korea, China, and other target countries in East Asia were disrupted. Operations were impacted, but the transmission infrastructure was not destroyed. While the curtain antennas and screens were shredded and/or knocked down by the wind, the towers remained largely intact. REKTS immediately began making repairs and successfully restored broadcast capabilities. By the end of FY 2019, four of 16 shortwave antennas systems were fully restored, with a fifth near completion. The as-yet unrepaired systems sustained more severe damage, and will require more extensive repair. The USAGM has requested additional funding from Congress to repair the remaining damaged antenna systems at REKTS. Total assets held in CNMI have an approximate book value of \$7.0 million as of September 30, 2019.

NOTE 8: OTHER ASSETS

Other assets consist of (a) leases and other expenses that are paid in advance; and, (b) advances and prepayments to USAGM employees for official travel, miscellaneous prepayments, and salary advances to USAGM employees transferring to overseas assignments. Other assets consist of the following as of September 30, 2019 and 2018:

Other Assets (in thousands)	2019	2018
Prepaid Leases	\$ 1,095	\$ 640
Prepaid Audit Fee	245	-
Travel & Salary Advances	426	234
Total	\$ 1,766	\$ 874

NOTE 9: LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

USAGM's liabilities are classified as liabilities covered by budgetary resources, liabilities not covered by budgetary resources, or liabilities not requiring budgetary resources. Liabilities not covered by budgetary resources are liabilities for which Congressional action is needed before budgetary resources can be provided. They include the annual leave, workers compensation, pensions and other retirement benefits, contingent liabilities, and environmental liabilities. Liabilities not requiring budgetary resources are for liabilities that have not in the past required nor will they in the future require the use of budgetary resources. Liabilities Not Covered by Budgetary Resources as of September 30, 2019 and 2018 are summarized below.

Liabilities Covered / Not Covered by Budgetary Resources (in thousands)	2019	2018
Intragovernmental		
Accrued FECA Liability	\$ 1,452	\$ 1,524
Total Intragovernmental	1,452	1,524
Public		
Actuarial FECA Liability	8,345	8,718
Accrued Annual and Compensatory Leave	16,582	15,527
Contingent Liabilities	547	618
Foreign Service National After-Employment Benefits	6,253	6,461
Environmental and Disposal Liabilities	920	887
Total Liabilities Not Covered by Budgetary Resources	34,099	33,735
Total Liabilities Covered by Budgetary Resources	34,455	36,739
Total Liabilities Not Requiring Budgetary Resources	2,116	2,117
Total Liabilities	\$ 70,670	\$ 72,591

NOTE 10: FOREIGN SERVICE NATIONALS (FSN) AFTER-EMPLOYMENT BENEFITS

USAGM operates overseas in 26 countries and employs approximately 280 local nationals known as Foreign Service Nationals (FSNs). FSNs do not qualify for federal civilian benefits, and therefore cannot participate in any of the federal civilian retirement plans. Instead, FSN employees participate in a variety of plans established by the Department of State based upon prevailing wage and compensation practices in the host country, unless the Department of State makes a public interest determination to do otherwise. In general, USAGM follows host country (i.e., local) practices and conventions in compensating FSNs. The end result is that compensation for FSNs is often not in accordance with what would otherwise be offered or required by statute and regulations for federal civilian employees.

FSN after-employment benefits are included in the Post's Local Compensation Plan (LCP). The LCP may include defined benefit plans, defined contribution plans, and retirement and voluntary severance lump sum payment plans. These plans are typically in addition to or in lieu of participating in the host country's local social security system. These benefits form an important part of USAGM's total compensation and benefits program that is designed to attract and retain highly skilled and talented FSN employees. USAGM has implemented various local arrangements with third party providers for defined contribution plans for the benefit of FSNs.

Defined Benefit Plans

USAGM has implemented various arrangements for defined benefit pension plans for the benefit of FSNs in 4 countries. Some of these plans supplement the host country's equivalent to U.S. social security and others do not. While none of these supplemental plans are mandated by the host country, some are substitutes for optional tiers of a host country's social security system. Such arrangements include (but are not limited to) conventional defined benefit plans with assets held in the name of trustees of the plan who engage plan administrators, investment advisors and actuaries, and plans offered by insurance companies at predetermined rates or with annual adjustments to premiums. USAGM deposits funds under various fiduciary-type arrangements, purchases annuities under group insurance contracts or provides reserves to these plans. Benefits under the defined benefit plans are typically based either on years of service and/or the employee's compensation (generally during a fixed number of years immediately

before retirement). The range of assumptions that are used for the defined benefit plans reflects the different economic and regulatory environments within the various countries. The net defined benefit liability is comprised of the present value of the defined benefit obligation less the fair value of plan assets.

Retirement and Voluntary Severance Lump Sum Payments

In 11 countries, FSN employees are provided a lump-sum separation payment when they resign, retire, or otherwise separate through no fault of their own. The amount of the payment is generally based on length of service, rate of pay at the time of separation, and the type of separation.

The cost method used for the valuation of the liabilities associated with these plans is the Projected Unit Credit actuarial cost method. The participant's benefit is first determined using both their projected service and salary at the retirement date. The projected benefit is then multiplied by the ratio of current service to projected service at retirement in order to determine an allocated benefit. The Projected Benefit Obligation (PBO) for the entire plan is calculated as the sum of the individual PBO amounts for each active member. Further, this calculation requires certain actuarial assumptions be made, such as voluntary withdrawals, assumed retirement age, death and disability, as well as economic assumptions. These are done by the Department of State and its actuaries whose results are provided to the federal agencies for their use. USAGM relies on the actuarial reports to obtain required financial information.

The economic assumptions used for the Retirement and Voluntary Severance Lump Sum Payment Liability as of September 30, 2019 and 2018 are:

Economic Assumptions	2019	2018
Discount Rate	2.78%	2.82%
Rate of Inflation	1.73%	1.42%
Salary Increase	6.18%	4.76%

The total liabilities reported for the FSN After-employment Benefits as of September 30, 2019 and 2018, are as follows:

After-Employment Benefit Liability (in thousands)	2019	2018
Defined Benefits Plans	\$ 543	\$ 1,090
Voluntary Severance	1,960	2,042
Supplemental Retirement Lump Sum	3,750	3,329
Total After-Employment Benefit Liability	\$ 6,253	\$ 6,461

NOTE 11: ENVIRONMENTAL AND DISPOSAL LIABILITIES

Environmental and disposal liabilities result from hazardous and potentially hazardous materials at current operating locations and abandoned facilities that create a public health or environmental risk. The related cleanup cost to remove, contain or dispose of any hazardous materials or properties is recognized as an environmental and disposal liability until the end of the useful life of the PP&E or until the operations at the PP&E locations cease either permanently, temporarily, or until a voluntary remediation approach is adopted.

Federal, state, and local statutes and regulations require environmental cleanup. Some of these statutes include the Comprehensive Environmental Response, Compensation, and Liability Act; The Resource Conservation and Recovery Act; as well as State and Local laws.

Through an internal survey to comply with SFFAS 5, *Accounting for Liabilities of the Federal Government*, SFFAS 6, *Accounting for Property, Plant and Equipment*, FASAB Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-related Cleanup Costs* and Federal Financial Accounting and Auditing (FFAA) Technical Release 2, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*, Technical Release 10, *Implementation Guidance on Asbestos*.

USAGM recognizes an estimated \$215 thousand in cleanup cost to remove hazardous materials from a transmitter facility. The estimate was received in previous years and the facility disposition has not changed.

Cleanup Costs Associated with Facilities and Installed Equipment, and Technical Release 11, *Implementation Guidance on Cleanup Costs Associated with*

Equipment, USAGM in FY 2013 identified offices and building facilities that contained non-friable and friable asbestos. Based on this survey, USAGM has recognized an estimated asbestos cleanup liability in the amount of \$705 thousand for four of its overseas facilities. The total estimate is based on the vendor quotes provided for asbestos cleanup-efforts adjusted for September 30, 2019 currency exchange rates. The total estimated potential environmental liability including removal of hazardous materials and asbestos for USAGM in FY 2019 is \$920 thousand.

NOTE 12: OTHER LIABILITIES

Other liabilities consist of the following as of September 30, 2019:

Other Liabilities (in thousands)	Current	2019 Total
Intragovernmental		
Advances and Prepayments	\$ 86	\$ 86
Employer Contribution/Payroll Taxes	2,024	2,024
Total Intragovernmental	<u>\$ 2,110</u>	<u>\$ 2,110</u>
Public		
Contingent Liabilities	547	547
Deposit and Suspense Liabilities	2,116	2,116
Total Other Liabilities	<u>\$ 4,773</u>	<u>\$ 4,773</u>

NOTE 13: OPERATING LEASE LIABILITY

USAGM leases real property in overseas and domestic locations under operating leases that expire in various years. The threshold for operating lease review and disclosure is \$50,000 in total lease payments. USAGM has three real property leases with the General Services Administration that are cancelable with a four-month notice. Minimum future lease payments under non-cancelable and cancelable operating leases having remaining terms in excess of one year as of September 30, 2019 for each of the next 5 years and in aggregate follows:

Non-Cancelable Operating Leases (in thousands)			
Fiscal Year	Federal	Non-Federal	Total
2020	\$ 336	\$ 1,245	\$ 1,581
2021	229	981	1,210
2022	198	823	1,021
2023	188	457	645
2024	188	362	550
2025 and there after	660	1,583	2,243
Total Future Lease Payments	\$ 1,799	\$ 5,451	\$ 7,250

Cancelable Operating Leases (in thousands)			
Fiscal Year	Federal	Non-Federal	Total
2020	\$ 16,767	\$ -	\$ 16,767
2021	16,767	-	16,767
2022	16,767	-	16,767
2023	16,767	-	16,767
2024	16,784	-	16,784
2025 and there after	69,589	-	69,589
Total Future Lease Payments	\$ 153,441	\$ -	\$ 153,441

NOTE 14: CONTINGENT LIABILITIES

USAGM is a party in various administrative proceedings, legal actions, and tort claims that may ultimately result in settlements or decisions adverse to the Federal Government. These include legal cases that have been settled but not yet paid, and claims where the amount of potential loss is probable and estimable. USAGM has no material environmental or other contingent liabilities to disclose. No amounts have been accrued in the financial records for claims where the amount of potential loss cannot be estimated or the likelihood of an unfavorable outcome is less than probable. The accrued and potential contingent liabilities as of September 30, 2019 and 2018 are as follows:

Legal Contingent Liabilities (in thousands)				
	FY 2019	Accrued Liabilities	Estimated Range of Loss	
			Lower End of Range	Upper End of Range
Probable		\$ 547	\$ 547	\$ 547
Reasonably Possible		-	-	224
	FY 2018	Accrued Liabilities	Estimated Range of Loss	
			Lower End of Range	Upper End of Range
Probable		\$ 618	\$ 618	\$ 618
Reasonably Possible		-	-	98

NOTE 15: UNDELIVERED ORDERS AT THE END OF THE PERIOD

Budgetary resources obligated for undelivered orders for the years ended September 30, 2019 and 2018 are \$215.6 million and \$217.9 million, respectively.

Undelivered Orders at the End of the Period (in thousands)	2019	2018
Federal		
Paid	\$ 245	\$ -
Unpaid	1,183	2,251
Total Federal Undelivered Orders at the end of the period	\$ 1,428	\$ 2,251
Public		
Paid	\$ 79,523	\$ 72,877
Unpaid	134,622	142,802
Total Public Undelivered Orders at the end of the period	\$ 214,145	\$ 215,679
Undelivered Orders at the end of the period	\$ 215,573	\$ 217,930

NOTE 16: EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE US GOVERNMENT

A comparison between the FY 2019 Statement of Budgetary Resources and the FY 2019 actual numbers presented in the FY 2021 Budget cannot be performed as the FY 2021 Budget is not yet available. The FY 2021 Budget is due to be published in February 2020 and will be available at:

<https://www.whitehouse.gov/omb/budget/>

USAGM reconciled the amounts of the FY 2018 column on the statement of Budgetary Resources (SBR) to the actual amounts for FY 2018 in the FY 2020 President's Budget for budgetary resources, obligations incurred, distributed offsetting receipts and net outlays published in February 2020, as presented below.

For the Fiscal Year Ended September 30, 2018 (in millions)	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 892	\$ 817	\$ -	\$ 777
Expired Accounts	(36)	(3)	-	-
Undelivered Orders	-	(7)	-	-
Rounding	(2)	1	-	1
Budget of the United States Government	\$ 854	\$ 808	\$ -	\$ 778

NOTE 17: RECONCILIATION OF NET COST OF OPERATIONS TO NET OUTLAYS

There are inherent differences in timing and recognition between the accrual proprietary accounting method used to calculate net cost and the budgetary accounting method used to report net outlays and obligations. A required reconciliation between budgetary and financial accounting information established by Statement of Federal Financial Accounting Standards (SFFAS) 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting* has been amended by SFFAS 53: *Budget and Accrual Reconciliation*. This Statement provides for the budget and accrual reconciliation (BAR). The BAR explains the relationship between the entity's net outlays on a budgetary basis and the net cost of operations during the reporting period. As noted in SFFAS 53, in the initial year of implementation, the disclosure requirements applicable to prior reporting periods are not required for comparative presentation. The reconciliation of net cost to net outlays as of September 30, 2019 is as follows:

Reconciliation of Net Operating Cost and Net Budgetary Outlays (in thousands)	Intragovernmental	With the Public	Total FY2019
Net Operating Cost (SNC)	\$ 99,154	\$ 729,563	\$ 828,717
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(12,449)	(12,449)
Property, plant, and equipment disposal & reevaluation	-	(2,331)	(2,331)
Other	3	4,636	4,639
Increase/(decrease) in assets:			
Accounts receivable	7	(51)	(44)
Other assets	245	6,649	6,894
(Increase)/decrease in liabilities not affecting Budget Outlays:			
Accounts payable	1,198	2,503	3,701
Salaries and benefits	(1,778)	428	(1,350)
Environmental and disposal liabilities	-	(33)	(33)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	72	(402)	(330)
Other financing sources			
Federal employee retirement benefit costs paid by OPM and imputed to agency	(13,369)	-	(13,369)
Transfers out (in) without reimbursement	295	-	295
Total Components of Net Operating Cost Not Part of the Budget Outlays	(13,327)	(1,050)	(14,377)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Other	-	-	-
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	-	-	-
Total Other Temporary Timing Differences	-	-	-
Net Outlays (Calculated Total)	\$ 85,827	\$ 728,513	\$ 814,340
Related Amounts on the Statement of Budgetary Resources			
Outlays, net			814,340
Distributed offsetting receipts			-
Agency Outlays, Net			\$ 814,340

NOTE 18: DISCLOSURE ENTITIES AND RELATED PARTIES

Under SFFAS 47, agencies must disclose certain information for entities that must be included, but not consolidated, in their financial statements referred to as “disclosure entities” or related parties. USAGM has four such disclosure entities.

USAGM broadcast services include four USAGM-sponsored grantees: Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), the Middle East Broadcasting Networks (MBN), and the Open Technology Fund (OTF). RFE/RL, RFA, MBN are surrogate networks that receive the majority of their funding from USAGM, but are organized and managed as private non-profit corporations. The grantees are also responsible for developing broadcast content (radio and

television news programs), which is distributed by USAGM. OTF was previously housed at RFA, and was separately incorporated as an independent grantee in FY 2019; it will focus on projects supported by USAGM's internet freedom budget. OTF received its first grant from USAGM in September 2019. The grantees are funded through annual grant agreements. In FY 2019, the four grantees combined received \$289 million in grant funding.

Grantee	Grant Funding FY 2019	Grant Expenses (Unaudited) FY 2019 ^[1]	Grant Advances as of September 30, 2019 ^[1]
RFE Radio Free Europe/Radio Liberty (RFE/RL)	\$ 124,510,925	\$ 126,301,492	\$ 10,000,000
RFA Radio Free Asia (RFA)	54,736,958	56,264,598	18,000,000
MBN Middle East Broadcasting Networks (MBN)	110,059,635	103,481,220	50,000,000
Open Technology Fund (OTF)	4,000	4,000	-
Total	\$ 289,311,518	\$ 286,051,310	\$ 78,000,000

^[1] FY 2019 information reported by the grantee is estimated because audited information will not be available until June 2020

RFE/RL, Inc. is a private, nonprofit, multimedia broadcasting corporation that serves as a surrogate media source in 26 languages and in 22 countries, including Afghanistan, Iran, Pakistan, Russia, and Ukraine.

With its broadcasting headquarters in Prague, 19 local bureaus (including Moscow, Kabul, Kyiv, and Islamabad), and 1,000 journalists throughout its broadcast region, RFE/RL's proximity to its audiences facilitates the production of compelling, locally-oriented programming in a cost-effective manner. Reaching more than 33.9 million people each week, RFE/RL provides what many people cannot get locally: uncensored local and regional news, responsible discussion, and open debate via radio, television, and digital media.

Radio Free Asia (RFA) is headquartered in Washington, D.C., with eight bureaus and offices overseas. RFA is a private, nonprofit, multimedia news corporation with approximately 253 employees. RFA has an estimated audience of 6.9 million people and supports nine languages. Radio Free Asia's mission is to provide accurate and timely news and information to Asian countries whose governments prohibit access to a free press. RFA brings award-winning, domestic journalism and uncensored content to people in six Asian countries that restrict free speech, freedom of the press, and access to reliable information beyond their

borders. RFA also provides educational and cultural programming, as well as forums for audiences to engage in open dialogue and freely express opinions.

Middle East Broadcasting Network (MBN) is an Arabic-language news organization that broadcasts news and current affairs programming to audience in the Middle East and North Africa reaching more than 25.7 million people in 22 countries. MBN consists of two television networks (Alhurra and Alhurra-Iraq); Radio Sawa; Alhurra.com; RadioSawa.com; Irfaasawtak.com; Maghreb Voices; ElSaha.com and various social media platforms. The networks broadcast news and information from their headquarters in Northern Virginia, along with bureaus in Cairo, Dubai, Jerusalem, Beirut, Erbil, Rabat, Baghdad, and Washington, D.C. MBN has an estimated 900 employees including correspondents throughout the Middle East and North Africa. The mission of the Middle East Broadcasting Networks is to expand the spectrum of ideas, opinions and perspectives available in the media of Middle East and North Africa; provide objective, accurate, and relevant news and information; and, accurately represent America, Americans, and American policies.

Open Technology Fund (OTF) is a new non-profit grantee of USAGM. OTF enhances USAGM's mission to "inform, engage, and connect people around the world in support of freedom and democracy" by supporting tools and partners to overcome attempts to interfere with, monitor, censor, or prevent persons from using the Internet. Originally created in 2012 as a program of Radio Free Asia, this standalone, non-profit entity improves coordination across and between the USAGM broadcast networks while also creating a more streamlined and efficient system for identifying, supporting, and iterating the next generation of connective technologies. The first grant to OTF was awarded on September 26, 2019.

USAGM is party to some grantee lease commitments for land and buildings, and may have a financial commitment in the event of lease termination. However, for most ongoing grantee lease and employee benefit commitments, USAGM and the US Government does not have an explicit agreement to support or commitment to fund upon any termination of the current relationship.

The risks resulting from USAGM involvement with the grantee entities during the period include:

- The financial commitment made each year through the current grant agreement
- Potential termination costs resulting from the termination of certain grantee leases

The USAGM's benefits resulting from USAGM's involvement with include:

- Support in development of common content and delivery
- Access to office space in certain markets

The primary financial asset existing between grantees and USAGM is the grant advance.

Approximately 99% of the grantees' revenue for the years ended September 30, 2019 and 2018 was derived from grants from USAGM through federal appropriations. USAGM has no contractual or statutory provisions requiring future support, however there is no reason to believe that the relationships with these grantees will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect the grantees' ability to finance ongoing operations.

USAGM does not believe there is any material financial exposure to gain or loss resulting from its involvement with the grantees.

Each of the grantee's annual financial reports can be obtained from the Federal Audit Clearinghouse which operates on behalf of the Office of Management and Budget (OMB) to maintain a public database of completed audits. The website can be located at: <https://harvester.census.gov/facweb/>

USAGM has no related party entity information to disclose.

Required Supplementary Information

Deferred Maintenance

Deferred maintenance is maintenance that was not performed when it should have been, that was scheduled and not performed, or that was delayed for a future period. Maintenance is the act of keeping property, plant, and equipment (PP&E) in acceptable operating condition and includes preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it can deliver acceptable performance and achieve its expected life. Maintenance excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from or significantly greater than those needs originally intended to be met by the asset.

USAGM has an ongoing maintenance and repair plan for its PP&E that allows it to prioritize required maintenance on its assets and schedule that maintenance appropriately. The maintenance plan is developed and updated by an inspection of its assets to determine current conditions and to estimate costs to correct any deficiencies. It is the policy of USAGM to maintain and preserve all PP&E regardless of recorded values and it does not differentiate between PP&E that is capitalized versus those that are expensed.

USAGM reviewed its FY 2019 maintenance and repair plan and identified those projects where maintenance or repair had been planned and/or required but nevertheless was not performed in 2019. For those projects where maintenance was not performed and where the current condition level required maintenance to return them to an acceptable level, in accordance with the amended SFFAS Deferred Maintenance Repairs No. 42, USAGM estimates and discloses deferred maintenance cost.

Deferred Maintenance (in thousands)		
PP&E Category	FY 2019 Estimated Cost to Return to Acceptable Condition	FY 2018 Estimated Cost to Return to Acceptable Condition
Equipment	\$ 450	\$ 380
Other Structures & Facilities	-	175
Total	\$ 450	\$ 555

Section 4: Other Information

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Inspector General's Statement on Management and Performance Challenges



Office of Inspector General
United States Department of State

Inspector General Statement on the U.S. Agency for Global Media's Major Management and Performance Challenges

FISCAL YEAR 2019

INTRODUCTION

Each year, in accordance with the Reports Consolidation Act of 2000,¹ the Office of Inspector General (OIG) for the U.S. Agency for Global Media (USAGM) identifies the most serious management and performance challenges facing the agency and briefly assesses progress in addressing those challenges. The resulting report is included in the agency's annual performance and accountability report.

Our oversight work gives us unique visibility into the most significant challenges facing USAGM, and OIG concludes that the following were the most important challenges in FY 2019:

- Information security and management
- Financial and property management
- Grant management

These issues go to the core of USAGM's programs and operations and have been crucial challenges for the past 5 years.

OIG acknowledges that USAGM has made substantial progress in its corporate structure. OIG's targeted inspection of USAGM governance concluded that changes made since 2015 had significantly improved the executive direction of the agency compared to the board-led governance structure in place during OIG's 2013 inspection.² All USAGM board members described the change as not merely positive but transformational in its effect on the agency. Also, changes in the board's structure permitted it to meet its responsibilities while avoiding problems associated with the previous structure, in which individual members demonstrated, or were perceived to demonstrate, favoritism to the entity on whose board they served when they made agency-wide budget and policy decisions. Although OIG noted a number of areas for improvement and made five recommendations,³ the improvements in corporate governance are positive steps that will hopefully place USAGM in a stronger overall position to address the broader management challenges facing the organization.

INFORMATION SECURITY AND MANAGEMENT

USAGM depends on information systems and electronic data to carry out essential mission-related functions. These information systems are subject to serious threats that may exploit vulnerabilities to compromise the information those systems process, store, and transmit. This, in turn, can lead to adverse effects on operations, organizational assets, and personnel.

¹ The Reports Consolidation Act of 2000, § 3, Pub. L. 106-531 (amending 31 U.S.C. § 3516).

² OIG, *Inspection of the Broadcasting Board of Governors* (ISP-IB-13-07, January 2013).

³ OIG, *Targeted Inspection of the Governance of the United States Agency for Global Media* (ISP-IB-19-22, April 2019).

In the FY 2018 Federal Information Security Modernization Act of 2014 (FISMA) audit of USAGM's information security program, an independent auditor identified security weaknesses in all eight metric domains, which consist of risk management, configuration management, identity and access management, data protection and privacy, security training, information security continuous monitoring, incident response, and contingency planning.⁴ Deficiencies occurred for several reasons. For example, USAGM management had not prioritized IT security or demonstrated its commitment to advancing vital internal controls to identify, protect, detect, respond to, and recover from a cybersecurity incident. Furthermore, USAGM lacked a governing information security policy and supporting procedures, and it has not assigned sufficient resources to support implementation of an effective organization-wide information security program.⁵ USAGM has also failed to take action to ensure that it maintained a complete and accurate inventory of its information systems.

Without an effective information security program, USAGM is vulnerable to IT-centered attacks and threats. Furthermore, information security program weaknesses can affect the integrity of financial applications, which increases the risk that sensitive financial information could be accessed by unauthorized individuals or that financial transactions could be altered either accidentally or intentionally. Until an effective information security program is in place, USAGM will remain vulnerable to IT-centered attacks as well as to threats to its critical mission-related functions.

FINANCIAL AND PROPERTY MANAGEMENT

In FY 2019, OIG reported USAGM was in compliance with improper payments requirements for the FY 2018 reporting period,⁶ and our review of USAGM's purchase card data led to the conclusion that the risk of illegal, improper, or erroneous use in the USAGM purchase card program is "low."⁷ Nonetheless, we continue to highlight financial management as a challenge for USAGM. This year, OIG reported deficiencies in internal controls related to financial reporting. In the annual audit of USAGM's financial statements, an independent auditor found 37 unliquidated obligations (ULOs) totaling \$405,866 that were determined to be invalid based on expired periods of

⁴ *Audit of the U.S. Agency for Global Media Information Security Program* (AUD-IT-IB-19-09, October 2018).

⁵ *Ibid.*

⁶ *Audit of the United States Agency for Global Media FY 2018 Compliance With Improper Payments Requirements* (AUD-FM-IB-19-28, May 2019).

⁷ *Information Report: United States Agency for Global Media 2018 Charge Card Risk Assessment* (AUD-CGI-IB-19-13, December 2018).

allotment holders and program officials were aware of their responsibility to research and review obligations for validity and to submit deobligation requests to the appropriate office. Moreover, even when deobligation requests were submitted to the appropriate office, they were not always deobligated in a timely manner. In addition, we reported that USAGM did not review overseas ULOs for validity.⁹

Invalid ULOs affect USAGM's management of funds. Specifically, funds that could have been used in support of the USAGM mission remained in unneeded obligations. Further, the large number of invalid obligations makes monitoring ULOs more difficult and increases the risk of duplicate or fraudulent payments.¹⁰

GRANT MANAGEMENT

USAGM has three significant grantees that it funds through annual grant agreements: Radio Free Europe/Radio Liberty, Radio Free Asia, and the Middle East Broadcasting Networks. In FY 2018, the three grantees collectively received over \$289 million from USAGM in Federal grant awards, which represents approximately one-third of USAGM's total funding. Because the grantees perform significant operational activities for USAGM, weaknesses in grant management can have a substantial effect on USAGM's overall operations. Without effective oversight of grantees, the risk of waste, fraud, and abuse of Federal funds increases.

OIG has reported USAGM weaknesses in controls over grant monitoring since the audit of the FY 2013 financial statements. During the audit of USAGM's 2018 financial statements, an independent external auditor tested whether USAGM had effectively implemented grantee monitoring by examining control activities identified in its standard operating procedures. In doing so, the auditor found that USAGM had not yet implemented all control activities. For example, USAGM had not performed risk assessments, performed grant close-outs, or conducted formal documented site visits as warranted by program needs. Additionally, USAGM's grant monitoring procedures did not include control activities related to monitoring the allowability of grantee costs. USAGM officials noted that the procedures were approved late in FY 2018 and that new staff had not completed training courses to become certified in grants management. However, the auditor also noted that USAGM had not performed an effective quality control review of its procedures.¹¹

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Independent Auditor's Report on the U.S. Agency for Global Media 2018 and 2017 Financial Statements* (AUD-FM-IB-19-06, November 2018)

Agency Response to the Management and Performance Challenges

October 22, 2019

Mr. Steve A. Linick
Inspector General
Office of Inspector General
U.S. Department of State

Dear Mr. Linick:

The U.S. Agency for Global Media (USAGM) has reviewed the Office of Inspector General's (OIG) Fiscal Year (FY) 2019 Statement on the USAGM's Major Management and Performance Challenges. We appreciate the OIG's work in identifying the core challenges to Agency operations, and we are making progress in addressing the OIG's findings and recommendations.

The Agency continues to implement OIG recommendations across the spectrum of grants monitoring, financial and property management, and information security management. How well we manage these functions affects the technical, administrative, personnel, and media assets that sustain our mission, and we are intentionally building the infrastructure to support these functions.

Information Security and Management

Over the past year, USAGM has taken a number of actions to enhance our information security and risk management posture, and to lay the framework for an effective Enterprise Risk Management Program led by the Chief Risk Officer (CRO). USAGM has developed an enhanced enterprise risk identification program that provides a more complete view of Agency risks, internal controls, and planning needs to mitigate future risks. This year, USAGM also appointed a new Chief Information Officer (CIO) to strengthen the Agency's information security programs. The CIO and CRO work closely to identify and mitigate information security risks.

Thanks to the groundwork detailed above, USAGM has made tremendous strides in improving its information security in the majority of FISMA domains. This progress was reflected in the OIG's FISMA audit for FY 2019, which found USAGM achieved a status of "defined maturity" in five of eight FISMA domains.

The Agency is now implementing a Corrective Action Plan (CAP) to satisfy the remaining recommendations and strengthen USAGM's overall security and internal controls.

Financial and Property Management

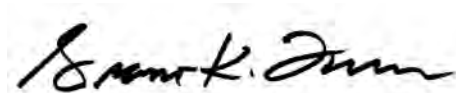
USAGM has continued to strengthen financial management during FY 2019, including the upgrade of Momentum, its financial management system. System upgrades have reduced risk and improved functionality to Agency users. USAGM has also made considerable progress in reviewing obligations for validity and de-obligating funding where appropriate. USAGM will continue this progress through FY 2020 by ensuring that program and contract staff have the tools and information needed to carry out these responsibilities in an effective and timely manner.

Grants Management

During FY 2019, USAGM senior leadership focused attention and resources on continuing progress in improving the oversight of its grants, including through implementing its Grants Management Standard Operating Procedure (SoP), finalized at the end of last year. The USAGM Risk Management Council, coordinated by the CRO, augmented the Agency's enterprise risk profile to include grantee oversight, which in turn strengthened the visibility and accountability of the efforts to mitigate risks in this area. Consistent with the SoP and identified risk mitigation efforts, USAGM awarded a contract to ensure fiscal responsibility in the compensation its grantee networks provide to their employees. In addition, staff are working to procure assistance to grow an annual site visit program to more comprehensively review allowable costs and bolster quality control.

Let me take this opportunity to commend you and your staff for your professionalism and partnership in working with the Agency to address its unique challenges. We are committed to working with you to resolve the issues highlighted in your Major Management and Performance Challenges Statement, as well as other issues that OIG inspections and audits might identify.

Sincerely,

A handwritten signature in black ink, appearing to read "Grant K. Turner".

Grant Turner
Chief Executive Officer and Director

Summary of Financial Statement Audit and Management Assurances

TABLE 1

Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
<i>Total Material Weaknesses</i>	<i>0</i>				<i>0</i>

TABLE 2

Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Statement of Limited Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	N/A					
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Statement of Limited Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	N/A					
Conformance with financial management system requirements (FMFIA § 4)						
Statement of Assurance	Statement of Limited Assurance					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Non-Conformances	N/A					

Reporting on Payment Integrity

To improve the integrity and accuracy of the Federal Government's payments, OMB issued Memorandum M-18 20, Appendix C to OMB Circular No. A-123, *Requirements for Payment Integrity Improvement*. It requires agencies to review all programs and activities, identify those that may be susceptible to significant improper payments, estimate annual improper payments in susceptible programs and activities, and report the results of their improper payment activities.

USAGM is dedicated to maintaining the strength of its improper payments program to ensure payments are legitimate, processed accurately and efficiently. The Office of Chief Financial Officer (OCFO) performs the processes and procedures to comply with the requirements of OMB Circular A-123 Appendix C and reports USAGM's improper payments annually.

Information on agency payments is available at <https://paymentaccuracy.gov>.

Improper Payment Reporting

USAGM performs a quantitative risk assessment on all of its major programs and activities on a three-year rotational cycle. In FY2019, Voice of America (VOA) and Office of Cuba Broadcasting (OCB) disbursements were randomly sample tested. As a result of quantitative risk assessment testing, none of the programs were determined to be susceptible to significant improper payments. Significant improper payments are defined as gross annual improper payments exceeding both 1.5 percent of program outlays and \$10,000,000 of all program or activity made during the fiscal year or \$100,000,000 regardless of the improper payment percentage of total program outlays.

The level of risk of an erroneous payment was determined to be low based on the results of quantitative risk assessment testing of two programs in FY 2019.

USAGM conducts a qualitative risk assessment every three (3) years unless a program experiences a significant change.

Recapture of Improper Payments Reporting

IPERA requires agencies to conduct payment recapture audits for each program and activity that expends \$1 million or more annually, unless the agency determines that a payment recapture audit program would not be cost-effective. Based on the results of the USAGM's qualitative and quantitative risk assessments, data mining efforts, and the USAGM's payment composition (large volume, low dollar payments), the USAGM determined that it would not be cost-effective to pursue a recapture audit program.

With the concurrence of the Department of State Office of Inspector General, OMB granted a recapture audit waiver on June 2, 2015, which remains in effect unless circumstances change.

Overpayments Recaptured Outside of Payment Recapture Audits

Overpayments Recaptured Outside of Payment Recapture Audits (in millions)			
Program or Activity	Overpayments Identified in FY 2019	Amount Recaptured in FY 2019	Recapture Rate
Voice of America (VOA)	\$1.30	\$1.30	100%
International Broadcasting Bureau (IBB)	.10	.10	100%
Technology, Services and Innovation (TSI)	.29	.29	100%
Office of Cuba Broadcasting (OCB)	.07	.07	100%
TOTAL	\$1.76	\$1.76	100%

USAGM has a process in place to identify and recapture improper payments during the normal course of its invoice processing and funds monitoring. In addition to the above, in FY 2019 USAGM recovered \$1,797 of improper payments identified in prior years.

Agency Improvement of Payment Accuracy with the Do Not Pay Initiative

Do Not Pay is a Department of Treasury initiative that offers a centralized system for agencies to use to identify ineligible recipients and potential improper payments. Currently, on a daily basis USAGM submits to Treasury batch files of vendor payments after processing for review and analysis. Disbursements involving payroll, intragovernmental transactions, and Department of State overseas processed transactions are not included in the batch files submitted by

USAGM. USAGM did not make any payment to any vendors on GSA's Excluded Parties List.

Fraud Reduction Report

USAGM is committed to implementing financial and administrative controls by combating fraud and fostering an atmosphere of ethical integrity and accountability. We are continuing our progress on fraud reduction efforts. During FY 2019, the agency Risk Management Council developed the first Enterprise Risk Management risk profile that prioritized significant risks to the achievement of the agency objectives and mission.

USAGM has designed and implemented the fraud risk principle in the standards for internal controls over major processes to identify and mitigate fraud risk and implemented the OMB Circular A-123 for managing fraud risk. We performs routine background checks on all employees and contractors with various system access. These processes include oversight and review of payroll, grants, large contracts, and purchase and travel cards. Some of the major efforts to heighten awareness and reduce the risk of fraud include training, oversight efforts, and automated system controls. USAGM's financial management and timekeeping system controls are designed to prevent unauthorized access, maintain segregation of duties, and set appropriate authorization levels using automated workflows. In FY 2019, USAGM established and began to implement a Data Quality Plan (DQP) to continue and strengthen its process culminating in DATA Act reporting.

Report on Grants Oversight and New Efficiency (GONE) Act Requirements

Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and Middle East Broadcasting Networks (MBN) are surrogate networks that receive legislatively mandated grantee funding from USAGM each fiscal year. In FY 2019, USAGM added a fourth grantee, the Open Technology Fund (OTF).

The grantees are organized and managed as private, independent, non-profit corporations. Grant funds are issued periodically throughout the year on an advance basis and liquidated based on actual expenses incurred by the grantee. The chart below denotes the number of open grants related to the three designated grantees.

CATEGORY	2-3 Years	>3-5 Years	>5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances	6	6	44
Number of Grants/Cooperative Agreements with Undisbursed Balances	-0-	-0-	-0-
Total Amount of Undisbursed Balances	-0-	-0-	-0-

If the grantee has carryover funds, they request approval from USAGM to retain the funds. USAGM reviews the request and makes a determination on the request. Because the nature of the grant is continuous, both for funding and execution of the mission, USAGM does not close out these grant agreements even though there are no undisbursed balances to the grantee remaining.

Clockwise from top left: A newly designed studio set at Alhurra Television; RFA reporter conducting interviews in front of the United Nations in New York City, September 29, 2019; Rohingya English teachers attending a VOA training session at a refugee camp in Cox's Bazar, Bangladesh, March 30, 2019 (Hai Do/VOA); VOA Director Amanda Bennett, VOA 365's Setareh Derakhshesh, and RFE/RL's Mehdi Parpanchi at the public launch of VOA 365 on Capitol Hill, March 5, 2019.



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